Daily Report

Latin America

FBIS-LAT-89-125
Friday
30 June 1989

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FBIS-LAT-89-125 *30 June 1989*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Honduran President Announces Summit 5-7 Aug *[ACAN]* 1
Mexico, Venezuela Demand Better Debt Reduction *[AFP]* 1

CARIBBEAN

Cuba

Further Reportage on Ochoa, Torralba Cases 2
PCC Expels Both Men *[Havana TV]* 2
Castro Denies 'Link' *[NOTIMEX]* 2
Ethiopian Mission Shows Support *[Havana TV]* 2
Text of Mission's Letter *[Havana TV]* 2
Juan Almeida, Delegates Arrive in DPRK *[Havana Radio]* 3
Ambassador in Quito on Bilateral Relations *[Havana Radio]* 3
SWAPO's Nujoma Criticizes South Africa *[Havana Radio]* 3
Havana Reports on U.S. Diplomat's Death *[Havana Radio]* 3
U.S. Foreign Debt Increase 'Officially' Noted *[Havana Radio]* 4
Barreiro Carames Welcomes Internationalists *[Havana TV]* 4
Havana Radio Reports Status of Orlando Bosch *[Havana Radio]* 4
Pedro Ross Presides Over 56th CTC Plenum *[Havana TV]* 4

Antigua and Barbuda

Election Petition Decision To Be Given 30 Jun *[CANA]* 5

Grenada

U.S. Diplomat's Killer Dies of 'Cardiac Arrest' *[CANA]* 5
Death 'Subject to Conjecture' *[CANA]* 5

Jamaica

Loan With 'Controversial' U.S. Company Sought *[CANA]* 6

St Lucia

Prime Minister on U.S. Diplomat's Death *[CANA]* 7

CENTRAL AMERICA

Costa Rica

Arias Plans To Mediate Salvadoran Conflict *[AFP]* 8

El Salvador

Cristiani Blames FMLN for 29 Jun Car Bombs *[San Salvador TV]* 8
Armed Forces Report Army, FMLN Casualties *[San Salvador TV]* 9
Economy Minister Zablah Outlines Policies *[San Salvador TV]* 9

Honduras

Nicaraguan Ambassador on Assassination Plot *[Tegucigalpa Radio]* 9
Economic Program Not To Include IMF Measures *[AFP]* 10

Nicaragua

Ortega: U.S. Trying To 'Destabilize' Elections *[ACAN]* 11
Foreign Ministry Denounces Propaganda Campaigns *[Managua Radio]* 11
BARRICADA on Propaganda *[28 Jun]* 12
Ortega on Latin American Economies' Regression *[Managua Radio]* 12
Denies 'Economic Slump' Reports *[Managua TV]* 12
Ortega, Ramirez Redistribute Somoza's Land *[Managua TV]* 13
Ramirez on Review of Land Expropriations *[Managua Radio]* 13
PRT Names Executive, Legislative Candidates *[Managua Radio]* 13
Commander Arce Returns From SI Congress *[Managua Radio]* 13

Panama

Opposition Willing To Meet FDP Without Noriega
[LA ESTRELLA DE PANAMA 29 Jun] 14
Former ADOC Candidates on Possible Dialogue *[LA ESTRELLA DE PANAMA 29 Jun]* 14
Canal Administrator Candidates Listed 28 Jun *[LA REPUBLICA 28 Jun]* 15
Draft Law Issued on Selection *[LA ESTRELLA DE PANAMA 27 Jun]* 15
Tomas Altamirano Appointed 29 Jun *[Panama City TV]* 16
Nonaligned Meeting Denounces U.S. 'Aggression' *[Panama City TV]* 16
Solis Palma To Attend Menem Inauguration *[MATUTINO 29 Jun]* 16
Japanese Company To Transfer From Panama *[ACAN]* 17
Sanctions Against Newspaper Official Confirmed *[LA ESTRELLA DE PANAMA 27 Jun]* 17
Acting Directors of Two Newspapers Appointed *[LA ESTRELLA DE PANAMA 28 Jun]* 17
Commission Extends Restrictions on Deposits *[Panama City TV]* 17

SOUTH AMERICA

Argentina

Menem on September Visit to U.S., Military Issue *[Buenos Aires Radio]* 18
U.S. Economist Jeffrey Sachs To Advise Menem *[NOTICIAS ARGENTINAS]* 18
Menem To Visit Brazil After Inauguration *[TELAM]* 18
CNEA Chairman-Designate on Projects, Policy *[TELAM]* 18
Gassino Ratifies Decision Over Rebel Officers *[TELAM]* 19
Possible Terrorist Arsenal in Flores Discovered *[NOTICIAS ARGENTINAS]* 19
Utility Rates Increased by Average 35 Percent *[DYN]* 19
Mirage Plane Crashes in San Juan Province *[TELAM]* 19
More Than 400 AIDS Cases Officially Registered *[Buenos Aires Radio]* 20

Bolivia

Interior Minister Identifies Mormon Killers *[La Paz Radio]* 20
U.S. Military Aid in Drug Fight 'Unnecessary' *[Madrid EFE]* 20
U.S. Press Attache's Behavior Protested *[Madrid EFE]* 20
INE: 1988 Exports Totaled $597 Million *[PRESENCIA 21 Jun]* 21

Brazil

Government Hopes for Agreement With IMF *[FOLHA DE SAO PAULO 27 Jun]* 21
Debt Moratorium Possible *[O ESTADO DE SAO PAULO 28 Jun]* 21
Sarney Not To Seek To Shorten Term in Office *[FOLHA DE SAO PAULO 27 Jun]* 22
Peruvian Rejects Linking Debt to Environment *[Madrid EFE]* 22
Ship Leaves for UK With Toxic Waste Cargo *[FOLHA DE SAO PAULO 26 Jun]* 22
New Attorney General Installed 29 Jun *[Brasilia Radio]* 22

Chile

Chilean-Argentine Relations Begin To Warm 22
Aylwin Invited to Inauguration *[Santiago Radio]* 22
Errazuriz Hopes To Strengthen Ties *[Santiago Radio]* 23
Joint Operations Scheduled *[Santiago Radio]* 23

Future Joint Ventures With PRC Being Studied *[EL MERCURIO 19 Jun]* 23
* Search for Right-Wing Nominee Viewed 23
* Possibilities Evaluated *[HOY 22 May]* 23
* Jarpa Seen as Likely Candidate *[CAUCE 22 May]* 25
* UDI, RN Differences Assessed *[HOY 22 May]* 28
Defense Minister Says Use of Force Legitimate *[Santiago Radio]* 30
Official Notes Increase of Terrorist Activities *[Santiago Radio]* 31
Left Wing Discourages Plebiscite Participation 31
MIR Calls for Annulment *[FORTIN MAPOCHO 19 Jun]* 31
Teitelboim Scores Plebiscite *[Santiago Radio]* 31
PCCh Confirms No-Vote *[Santiago Radio]* 31
Interview With Senior Chilean CP Official *[Prague RUDE PRAVO 26 Jun]* 32
New SP Secretary General Assumes Post *[EL MERCURIO 17 Jun]* 33

Colombia

M-19 Spokesman Denies Cuban Colonel's Charges *[Bogota TV]* 33
M-19 Leader Pizarro Reacts to Arrest Warrant *[AFP]* 33
Bishops: Government, Rebels Should Hold Dialogue *[Buenos Aires REUTER]* 34
Government: Expected 1989 GNP Growth 4 Percent *[Bogota Radio]* 34
UP Member Gunned Down in Medellin 28 Jun *[Bogota TV]* 34

Paraguay

Foreign Minister on President's Trip to Argentina *[HOY 29 Jun]* 34
Barcelona Consul Receives Death Threat *[ABC COLOR 29 Jun]* 35
Union Leader Held Incommunicado Since 8 Jun *[HOY 29 Jun]* 36
President Admits Need for Agrarian Reform *[ULTIMA HORA 27 Jun]* 36
Foreign Debt Negotiating Committee Created *[ULTIMA HORA 28 Jun]* 36
INDI Council Members, Alternates Designated *[ULTIMA HORA 28 Jun]* 37
Journalists Trade Union Elects Executive Board *[ULTIMA HORA 27 Jun]* 37
32 Radio Stations Authorized To Broadcast *[ULTIMA HORA 28 Jun]* 37

Peru

Minister Says Armed Forces Respect Constitution *[LA REPUBLICA 24 Jun]* 38
'Perunet' Data Transmission Network Set Up *[EL COMERCIO 22 Jun]* 38
Industrial, Mining Banks Install Presidents *[Lima TV]* 38

Uruguay

Angolan, Uruguayan Communists To Cooperate *[LA HORA 21 Jun]* 38
24-Hour General Strike Paralyzes Country *[TELAM]* 39
Exporters Hope To Increase Rice Sales to Iran *[LA HORA 21 Jun]* 39

Venezuela

Colombian Foreign Minister Arrives 29 Jun *[Caracas TV]* 39
PLO Director Seeks To Open Office in Caracas *[Madrid EFE]* 39
* Causes of Economic Deterioration Viewed *[EL NACIONAL 21, 22 May]* 40

Guyana

CANA Reports Continuation of Power Outages *[CANA]* 43

Suriname

Government Approves Brunswijk-Lachmon Agreement
[Amsterdam DE VOLKSRANT 24 Jun] 44
NDP in Favor of Negotiations With Brunswijk *[Paramaribo International]* 44
Rebels Attack Army Garrison in Northeast *[Paramaribo International]* 44

Honduran President Announces Summit 5-7 Aug

PA2906222489 Panama City ACAN in Spanish 2130 GMT 29 Jun 89

[Text] Tegucigalpa, 29 Jun (ACAN-EFE)—Honduran President Jose Azcona Hoyo announced today that the fifth summit of Central American presidents will be held 5-7 August and that he hopes his Nicaraguan counterpart, Daniel Ortega, will be able to attend on those dates.

Azcona told the press that the preceding dates are not final, because a summit is held with the consensus of five presidents, not four. He stated that Nicaragua has the right, "although I am not interested in its reasons," to say it cannot attend on a particular date because of previous commitments, such as the inauguration of Argentine President Carlos Menem (8 July), or the celebration of the 10th anniversary of the Sandinist revolution (19 July).

Azcona said he talked with the other presidents—Oscar Arias (Costa Rica), Alfredo Cristiani (El Salvador), and Vinicio Cerezo (Guatemala)—about the dates for the upcoming summit, which has been postponed three times since May.

He added that President Cerezo will talk with Ortega to see whether the latter can go to Tela, on the Honduran Caribbean coast, 5-7 August and will then extend the appropriate invitation.

The Honduran president said that President Arias had suggested that because the summit could not be held 14-16 July, it should be held instead on 7 August to commemorate the 2d anniversary of the signing of the Esquipulas II agreements on 7 August 1987 in Guatemala.

Contrary to what the local press has reported, the president added that he has not asked the Nicaraguan president to refrain from bringing Foreign Minister Miguel D'Escoto to Honduras. Last week, D'Escoto accused Azcona of having converted Honduran territory into a "narcostate."

On that occasion, Azcona responded by calling D'Escoto an "unstable criminal."

Regarding a statement made 27 June in the northern city of San Pedro Sula by an alleged Sandinist officer who said he had received instructions to kill Azcona and other Honduran leaders, Azcona said he could not comment on the subject.

However, he said the Armed Forces Intelligence Service notified him that "some aspects concerning the allegations seem to be true."

He added that he will receive a detailed report on the statement made by Orlando Solorzano, an alleged spy and Sandinist captain.

Regarding the situation of 11,000 "contras" (Nicaraguan armed opposition) who are currently in eastern Honduras, Azcona reiterated his desire to solve the problem. He stressed that the problem of the anti-Sandinist rebels will be solved with Nicaragua's democratization.

The demobilization, repatriation, or relocation of the "contras" is one of the topics to be discussed at the upcoming Central American presidential summit.

Mexico, Venezuela Demand Better Debt Reduction

PA3006014889 Paris AFP in Spanish 0027 GMT 30 Jun 89

[Text] New York, 29 Jun (AFP)—Banking sources report that today Mexico rejected the creditor banks committee's proposal to reduce the Mexican commercial debt and insisted upon its demand for an overall 45-percent debt reduction.

It was announced on 27 June that the creditor banks committee, presided over by William Rhodes (of Citibank), had proposed to Mexico a complex financial package, including a 30-percent reduction of the "old debt" (prior to 1982), which totals $38 billion, and a 20-percent reduction of the remainder of the Mexican foreign debt, which totals $16 billion.

In other words, on 27 June, the banks proposed to Mexico a $14.6-billion reduction of a debt that amounts to $54 billion, which is in fact an overall 27-percent debt reduction.

The sources added that the Mexican delegation, headed by Mexican Deputy Finance Secretary Jose Angel Gurria, left immediately for Mexico to discuss the proposal with high-ranking government officials. The Mexican delegation today met with the creditor banks committee. The delegation rejected the banks' proposal and insisted on demanding a 45-percent overall debt reduction. In addition, Mexico is demanding a reduction of the debt interest to an annual rate of 4 percent.

The banking sources conjecture that Mexico's position is observed with keen interest by all the other heavily indebted countries having "intermediate resources," because Mexico's is the first specific negotiation conducted within the framework of the Brady plan and because Mexico's hard-line approach seems to be shared by the other Latin American countries.

In fact today Venezuelan President Carlos Andres Perez said in Caracas that Venezuela "will never" accept a debt reduction less than 40 percent. Perez made those statements precisely on the eve of the debt negotiations that Venezuela must begin in July.

Perez announced that he, along with other Latin American presidents, will discuss the debt problem with the leaders of the industrialized nations, who will travel to Paris on 14 July to commemorate the 200th anniversary of the French Revolution.

The sources concluded by stating that Mexico's rejection of the creditor banks' proposal seriously jeopardizes U.S. President George Bush's intention of arriving at the presidential summit of industrialized nations in Paris with the news of the first specific debt reduction agreement attained within the framework of the plan devised by U.S. Treasury Secretary Nicholas Brady.

Cuba

Further Reportage on Ochoa, Torralba Cases

PCC Expels Both Men

FL3006112689 Havana Tele-Rebelde Network in Spanish 1100 GMT 30 Jun 89

[Text] The ninth plenum of the Communist Party of Cuba [PCC] Central Committee convened in a special session yesterday in order to learn, separately and under the light of the statutes and rules of the party, about the charges of grave conduct problems of Arnaldo T. Ochoa Sanchez and Diocles Torralba Gonzalez.

In the former case, the Central Committee analyzed the unacceptable violations of ethical and political principles committed by Arnaldo Ochoa and other acts which constitute an exceptional case of disloyalty to the people and the Revolution. The Central Committee considered Ochoa's shameful behavior, which was extensively reported to our people, and constitutes betrayal to the fatherland and Revolutionary Armed Forces [FAR], and insult to our principles, to the clean comrades who have fallen in the dedicated struggle in and outside Cuba, and his condition of member of the party and member of the Central Committee.

By virtue of these acts, the Central Committee decided to expel Arnaldo T. Ochoa Sanchez from the PCC and, consequently, dismiss him from the Central Committee.

In Diocles Torralba's case, the grave violations of ethical, political, and administrative violations committed by him, which go against the moral and socialist law, were analyzed. These acts are basically associated to a personal immoral, undisciplined, and corrupt conduct.

Because of this, the Central Committee decided to expel Diocles Torralba Gonzalez from the party and, consequently, dismiss him as member of the Central Committee.

The plenum ended with the closing remarks made by Commander in Chief Fidel Castro, first secretary of the party.

Castro Denies 'Link'

FL2906162289 Mexico City NOTIMEX in Spanish 1536 GMT 29 Jun 89

[Text] Havana, 29 Jun (NOTIMEX)—Cuban President Fidel Castro has denied any link between his government and the drug trafficking operations carried out by generals of his cabinet. [as received]

In his first reaction over corruption and drug-related activities in his government, Castro termed as courageous the statements made by Arnaldo Ochoa, military chief under trial, and reported that the Council of State has the last word on his fate, which is not prejudged.

The chief of the Cuban Revolution denied that his government was involved in drug trafficking.

The Cuban president, accompanied by Vice Presidents Carlos Rafael Rodriguez and Osmani Cienfuegos and Pepin Naranjo, one of his closest collaborators, met with European Community ambassadors accredited to Havana.

Castro highlighted the functioning of Cuban organizations after the Ochoa case broke. He termed the case intolerable and was convinced that the Revolution would emerge strengthened from the crisis.

Ochoa and several Cuban Interior Ministry officials are involved in drug trafficking in an operation not known to the Cuban revolutionary government.

According to Cuban news reports, the officials became involved with the Medellin Cartel to help transport Colombian cocaine to the United States.

The chief of state expressed his wish to travel to Europe next September to attend the Nonaligned Movement summit in Yugoslavia.

Meanwhile, it was reported that Army Corps General Abelardo Colome Ibarra, today, was named new Cuban interior minister.

Colome Ibarra, who has the title of Hero of the Republic, replaces Division General Jose Abrantes.

Ethiopian Mission Shows Support

FL2906122389 Havana Tele-Rebelde Network in Spanish 1100 GMT 29 Jun 89

[Text] The members of the Cuban military mission in Ethiopia have sent a message to Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], strongly condemning the grave faults to honor and dignity committed by Division General Arnaldo Ochoa Sanchez. The internationalist combatants fulfilling a mission in Ethiopia unconditionally support the measures the FAR and the party leadership may take and asked that all the weight of the revolutionary law fall on him.

Text of Mission's Letter

FL3006011489 Havana Television Service in Spanish 0000 GMT 30 Jun 89

[Text] The Cuban military mission in Ethiopia has sent Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces, the following message:

The generals, chiefs, officers, sergeants, and soldiers of the Cuban military mission in Ethiopia energetically condemn the grave faults committed against honor and dignity by Division General Arnaldo Ochoa Sanchez while in his position as a high-ranking officer of the FAR.

Taking into account the importance of these actions, which constitute treason against our people, we support without reservation all the measures taken by our high command and the Communist Party of Cuba, as well as having the full weight of revolutionary law fall upon Div Gen Ochoa Sanchez for having committed such grave and vile treason.

At the same time, we make known our unconditional decision to be faithful executors of the regulations and principles of proletariat internationalism.

The message is signed by the chief of the Cuban mission in Ethiopia, Brigade General Manuel Perez Hernandez.

Juan Almeida, Delegates Arrive in DPRK

FL2906205289 Havana Radio Reloj Network in Spanish 1932 GMT 29 Jun 89

[All figures as heard]

[Text] Commander of the Revolution Juan Almeida Bosque, member of the Communist Party of Cuba [PCC] Politburo and guest of honor of the Korean Workers Party to the 13th World Youth and Student Festival, has arrived in Pyongyang, capital of the DPRK.

Also arriving on that same flight were 175 delegates and various guests of honor and special guests, including Melba Hernandez, member of the PCC Central Committee and hero of Moncada, and Colonel Arnaldo Tamayo Mendez, alternate member of the PCC Central Committee.

With the arrival of this group, the total number of delegates in Pyongyang is 364. Tomorrow, the entire 500-member delegation should be complete when the final 116 delegates who were left in Moscow, the Soviet capital, arrive.

From its 1st day at Kwanbok, villa for the delegates to the festival, the representation has made its presence known with its joy, enthusiasm, and dynamism.

Ambassador in Quito on Bilateral Relations

FL2906142589 Havana Radio Reloj Network in Spanish 1954 GMT 28 Jun 89

[Text] Today in Quito, Cuban Ambassador Carlos Zamora noted the existing level of trust between Ecuador and Cuba as the principal element of bilateral relations.

Zamora will finish his mission in Ecuador after more than 5 years, within the next few days. In a televised interview, he expressed his satisfaction at having been able to contribute to strengthening the traditional ties of friendship between both nations.

The principal factor in the relations between Cuba and Ecuador is the level of confidence, dialogue, and understanding that exists between both countries, Zamora said to (Soluvision) Network which has television and radio stations almost everywhere in that nation.

The diplomat noted that tens of thousands of Ecuadoreans have visited Cuba and that thousands of Cubans have visited that nation as a result of increased scientific-technical cooperation and exchanges.

SWAPO's Nujoma Criticizes South Africa

FL2906221289 Havana Radio Reloj Network in Spanish 1938 GMT 29 Jun 89

[Text] The head of the South-West African People's Organization, SWAPO, Sam Nujoma, has accused the Pretoria regime of sabotaging the political process to grant Namibia its independence.

Nujoma, who is in Great Britain on an official visit, said that South Africa resorts to terror and murder to try and halt the decolonization process in its neighboring country. The president of the SWAPO stated that South African authorities have unleashed a campaign of hostility against the Namibian people. He added that the South Africans resort to using special police detachments to frighten the black population and to destroy their crops.

In reference to the up-coming elections in Namibia, Nujoma criticized Pretoria's plans to increase the minimum voting age from 18 to 21 years of age. This would decrease the votes in favor of SWAPO by 30 percent.

Havana Reports on U.S. Diplomat's Death

FL2906213989 Havana Radio Reloj Network in Spanish 1943 GMT 29 Jun 89

[Text] Hours after the bloody event in Grenada, when an agent shot and killed a U.S. diplomat and the temporary police commissioner in the latter's office, the authorities and the U.S. State Department say they do not know the motive for this action.

According to Washington, there were no political motives for the crime which occurred when Diplomat John Butler was meeting with Grenada's temporary police commissioner, Cosmos Raymond, about the joint military maneuvers in the region.

The assailant, Grafton Bascombe, has been identified as a police officer from the island of St Vincent, which is close to Grenada. Bascombe was also a member of a contingent of Caribbean agents requested by Prime Minister Herbert Blaize to control internal order.

Bascombe was able to seek refuge in a building close to the Grenada Police Headquarters, but his handcuffed body was later found with a gunshot wound to the chest.

U.S. Foreign Debt Increase 'Officially' Noted

FL2906211689 Havana Radio Reloj Network in Spanish 1938 GMT 29 Jun 89

[Text] Officially, it has been reported that the U.S. foreign debt has increased by $532.5 billion. This has increased the U. S. position as one of the world's largest debtor countries.

The U.S. Department of Commerce stated that the foreign debt is $154 million more than what other countries owed the United States at the end of 1987. Last year, Washington informed that foreign properties in the United States increased by more than 16 percent and that U.S. investments also increased but to a lesser degree, only 7.2 percent.

Observers believe that the large 41 percent increase of the U.S. foreign debt in only a year will revive the debate on what foreign properties mean for the future of the United States.

Barreiro Carames Welcomes Internationalists

FL2906134289 Havana Tele-Rebelde Network in Spanish 1700 GMT 28 Jun 89

[Passages within quotation marks recorded]

[Text] Once more, the mausoleum containing the remains of Lieutenant General Antonio Maceo and his aide Captain Panchito Gomez Toro in El Cacahual has witnessed the welcoming given to our internationalists who return victorious to the fatherland after fulfilling their mission in the People's Republic of Angola.

[Division General German Barreiro Carames, identified by caption] "We welcome you here, in this solemn place full of history and the greatness of our past, with a strong and firm embrace."

This new group of internationalists is composed of over 300 combatants who arrived from Angola in the fatherland in the last two flights. [Video shows soldiers marching while a military band plays.] The Internationalist Combatant medals, first and second class, and the Defense of Cuito Cuanavale medals, among many others, sparkle on their chests. They all show the satisfaction of having fulfilled their duty and the pride of being worthy children of this country.

[Barreiro Carames] "In contrast with the painful betrayal, degradation, and disgrace, the banner of the Revolution burns safely within you, the honor and purity of Cuban combatants shine within you, and the certainty is confirmed with you that one man can go astray and become corrupt but this will never happen to the people who have touched glory with their own hands, people who have inherited the sacred ashes as the ones El Cacahual keeps, heirs of fighters such as Camilo and Che, people who have the privilege of counting in their forefront with a leader of the stature of our invincible Commander in Chief Fidel Castro. [applause]"

Havana Radio Reports Status of Orlando Bosch

FL2906154589 Havana Radio Progreso Network in Spanish 1100 GMT 29 Jun 89

[Text] U.S. authorities have not decided yet if they are going to grant asylum or deport Orlando Bosch, the counterrevolutionary of Cuban origin. Bosch has a history of terrorist activities in the United States and Latin America and masterminded the sabotage of a Cuban aircraft that killed 73 people.

Last Friday [23 June], the U.S. Justice Department denied Bosch's asylum request and ordered his deportation to a country that will accept him. However, Federal Judge William Hoeveler said Bosch will not be deported before a new hearing to examine his case is held.

Pedro Ross Presides Over 56th CTC Plenum

FL3006015889 Havana Television Service in Spanish 0000 GMT 30 Jun 89

[Text] The main objectives of the 56th plenum of the CTC [Central Organization of Cuban Trade Unions] National Council are to discuss the base document and the preparations for the 16th Congress of the CTC, which will be held in January 1990.

Before beginning, the national council of the CTC condemned Division General Ochoa Sanchez and Tony de La Guardia and their group for their betrayal of the fatherland. It also reiterated its full backing of the Communist Party of Cuba's [PCC] leadership, and Fidel.

The meeting was presided over by Pedro Ross, member of the PCC Central Committee Secretariat and president of the organizational committee of the CTC congress. During this meeting, the delegates discussed new organizational methods in production and salaries, including the establishing of work rules, simplification of leadership structures, regulating unproductive personnel, qualifications for leadership, and multi-assignments.

Several reports referred to the results that were attained by the experimental enterprises, and how these enterprises favorably contributed to increasing the efficiency and productivity of the work period.

Other matters that were discussed during the meeting were: the attention given to workers, problems with bad dining and living conditions, socialist emulation, and moral and material stimulation.

Jesus Montane, member of the PCC Central Committee, also presided over the meeting.

Antigua and Barbuda

Election Petition Decision To Be Given 30 Jun

FL2906170689 Bridgetown CANA in English
2300 GMT 28 Jun 89

[Text] St John's, Antigua, June 28, CANA—A decision on the first of seven petitions challenging Antigua and Barbuda's March 9 general election results is to be given Friday, a legal source here said Wednesday. The source said the decision will be given by high court judge Justice Albert Redhead.

The first case filed by opposition United National Democratic Party [UNDP] candidate Donald Halstead for the St John's City West constituency charges that the high court decision on the request of the supervisor of elections to extend voting hours on election day was illegal. Voting hours were extended in 10 constituencies after a shortage of ballot papers had curtailed polling for several hours.

Halstead and six other unsuccessful candidates of the UNDP are challenging the results, which saw only one of their 16 candidates winning a seat, one going to a Barbuda party and the other 15 to the incumbent Antigua Labour Party. Hearing of the case concluded last month.

Grenada

U.S. Diplomat's Killer Dies of 'Cardiac Arrest'

FL2906174289 Bridgetown CANA in English
1724 GMT 29 Jun 89

[Text] St George's, Grenada, June 29, CANA—A senior policemen who on Wednesday [28 June] shot dead the Grenada police commissioner and an American political attache, himself died of a heart attack, according to the findings of a post-mortem. "The cause of death (is) cardiac arrest," Grenada Government Spokesman Albert Xavier told reporters here Thursday.

There have been conflicting reports on how St Vincent-born Assistant Police Commissioner Grafton Bascombe died; one said he had committed suicide and another that he had been shot by lawmen after he went berserk Wednesday. However, Xavier, advisor to Prime Minister Herbert Blaize, said pathologist R. Hannan attributed the death to cardiac arrest. He told reporters a doctor who diagnosed the policeman, on loan here, as having blood pressure and an enlarged heart. Xavier said bruises on the body might by consistent with Bascombe's falling after the heart attack. The pathologist found that Bascombe had a wound of 1.5 inches "above and lateral to" the left eye area, a bruise and cut on the left cheek bone, and a concussion on the left side of his head.

Bascombe shot dead Commissioner Cosmos Phillips and American political attache, John Butler, who tried to disarm him. He also shot and wounded two senior policemen.

Death 'Subject to Conjecture'

FL2906220089 Bridgetown CANA in English
2140 GMT 29 Jun 89

[Text] St George's Grenada, June 29, CANA—Grafton Bascombe, the veteran police officer who went berserk here Wednesday, before shooting dead the Grenada police commissioner and an American diplomat, and wounding two others, had complained of feeling unwell the day before. A doctor he consulted diagnosed the St Vincent-born assistant commissioner as hypertensive, with an enlarged heart. The policeman reported absent for work Wednesday.

By noon Bascombe, an officer of 30 years, was dead—though not before he had emptied his .45 service revolver on his boss, acting Commissioner Cosmos Raymond, U.S. Political Attache John Butler and at least two other policemen in a fit of rage at police headquarters. The circumstances surrounding Bascombe's death and the motive for his shooting spree remained subject to conjecture Thursday.

St Vincent's Police Commissioner Randolph Toussaint, who with Prime Minister James Mitchell flew here Wednesday, says Bascombe was felt to have been linked to irregularities surrounding American military aid funds allocated to Grenada—funds Bascombe administered. The way Toussaint tells it, Commissioner Raymond was about to blow the lid off some discovery he had made on the subject.

The commissioner (Raymond) told me in a telephone conversation (Wednesday morning) that he had a very confidential report to tell me (about)," Toussaint reported. "He said the contents of the letter were so confidential that he didn't think it wise to put it on fax. But we were to have met in Virginia sometime this month and he was prepared to give me that letter in person.

Indeed the commissioner was complaining of certain irregularities with funds given to Grenada involving Mr Bascombe, who reported sick yesterday (Tuesday) and that he was suffering from his heart..."

According to Toussaint, Raymond said that in keeping with an earlier request from St Vincent prime minister to end Bascombe's secondment, arrangements had been made to fly him back to Kingstown Wednesday. About half an hour after that conversation, Toussaint said Wednesday night, he received a second phone call from Grenada that Raymond had been shot dead by Bascombe.

First reports from high level sources here had said Bascombe committed suicide afterwards. U.S. State Department officials said later that the officer, who was on secondment from the St Vincent police force since September last year, was shot by colleagues as they tried to arrest him after the killings.

Thursday the Grenada Government announced he died of heart failure. "The cause of death (is) cardiac arrest," Grenada Government Spokesman Albert Xavier told reporters here.

Xavier, advisor to Prime Minister Herbert Blaize, said pathologist R. Hannan attributed the death to cardiac arrest. The pathologist found that Bascombe had a wound of 1.5 inches "above and lateral to" the left eye area, a bruise and cut on the left cheek bone, and a concussion on the left side of his head. Xavier said bruises on the body might be consistent with Bascombe's falling after the heart attack.

Toussaint who visited the Grenada mortuary Wednesday, told reporters: "From the report I have seen from the doctor, he was found dead at the CID (Criminal Investigation Department) at police headquarters."

"It is alleged that after Mr Bascombe had shot the commissioner to death, returned to Mr Barrow's office and shot at him and also (at) the American attache and a superintendent."

The U.S. State Department said Bascombe shot Butler at point blank range as the American sought to subdue his assailant.

Bascombe, a heavy set 200-pounder who turned 50 in May, was described by one of his colleagues as a tough cop who "was not easy to get along with."

During the last few months, one source said, he was refusing to follow administrative direction and this had impacted adversely on morale in the force. "He would sometimes refuse to take orders," one officer said. His name is said to have surfaced during an on-going government inquiry into alleged wrongdoing at the island's port linked to ammunition and drugs.

Prime Minister Blaize on Thursday said he had heard allegations that Bascombe was being probed for illegal drugs trading. "This is something that I said should be fully investigated, because I heard this allegation for the first time yesterday and I had not known about it so I am having it fully investigated," Blaize told CANA Radio.

"Situations like this cause all kinds of statements to be made, all kinds of rumours, some founded some unfounded; so I am trying to have this investigated.

Asked about the document Commissioner Raymond promised Toussaint, Blaize said "the matter was very confidential between Mr Raymond and the commissioner in St Vincent."

"I was told about it yesterday in our meeting with (St Vincent Prime Minister) James Mitchell. We're trying to locate this thing, because apparently Commissioner Raymond did not even wish to have it typed. He was supposed to be doing it hand written... so we're making every possible search of his premises, his clothing and everything to see if we can find anything like that."

Police sources told CANA that Bascombe, already in the middle of intense friction with other senior officers, apparently found his "back to the wall" in trying to properly account for U.S. funds allocated to Grenada for military activities and installations.

"Whatever acts he committed, news of his pending transfer (back to St Vincent) before he had time to rectify them left him emotionally upset and frustrated," the officer said.

Washington officials have apparently accepted that the slaying of Butler was not politically motivated. "We have no indication that our embassy officer was a deliberate target of this crime," a State Department spokesman said.

Asked for a motive, he said: "It's difficult to say at this point but the manner in which it was done suggests the man (Bascombe) went berserk."

Bascombe is survived by a wife and three children—two girls and a boy. His body is to be flown back to St Vincent tomorrow.

Jamaica

Loan With 'Controversial' U.S. Company Sought

FL2906201289 Bridgetown CANA in English 1023 GMT 29 Jun 89

[Text] Kingston, Jamaica, June 29, CANA—Jamaica is negotiating a loan of U.S.45 million dollars from a company of controversial American fugitive financier Marc Rich by Friday, to help the government pass the International Monetary Fund's second quarter economic performance test, opposition leader Edward Seaga said here on Wednesday. Seaga made the claim during a four-hour contribution to the ongoing debate in parliament on the government's 1989/90 budget.

Asked to comment on the opposition's claim, minister of finance and the public service, Seymour Mullings, referred reporters to the Minister of Mining and Energy Hugh Small, as "I am not the minister he referred to." Mining Ministry officials however told CANA that Small was off the island.

Seaga said that Small "is to meet with Marc Rich's representative in New York tomorrow (Thursday) or some future early date to beg forgiveness and to seek a loan of U.S. 45 million to bail out the government to save failure of the IMF June 30 conditional test, even while the agreement is still under consideration by the IMF, hopefully awaiting approval."

Prime Minister Michael Manley, is expected to address the issue when he makes his contribution to the budget debate on Thursday afternoon.

In May, the mining and energy minister had denied reportts that the government was seeking from the Marc Rich organisation a U.S. 65 million dollar loan or advance against future alumina sales.

Seaga, whose Jamaica Labour Party (JLP) lost power in last February's general elections, had struck a deal with Rich for loans against future bauxite earnings. Rich had also provided credit for Jamaican oil purchases and in the mid-1980's was granted a 10-year contract to all the alumina produced by the alcoa refinery here.

Seaga said that the mining minister had "sneaked out" of Jamaica for a meeting with the top Marc Rich negotiator on June 11, in the southern American city of Atlanta.

Rich, who is a fugitive from the United States authorities, has been a central figure in Jamaica's alumina trading deals and other commodity arrangements since the early 1980s, under agreements with the former Seaga administration.

Manley's Peoples National Party (PNP), while in opposition, had consistently questioned the deals with Rich, often suggesting that they were shady and not in the best interest of Jamaica. The PNP had complained about the secretive nature of the deals with Rich and expressed concern that the Rich organisation, as a single source, had had too much control over Jamaica's alumina production and marketing.

On taking office, the new PNP government began a review of the contracts with Rich. In his budget presentation, Minister Small said that the government had completed examination of the contracts made with Rich. Discussions were continuing on the contracts with another company, Clarendon Limited, and as soon as these were completed the details would be made public, he said.

St Lucia

Prime Minister on U.S. Diplomat's Death

FL2906224689 Bridgetown CANA in English 2053 GMT 29 Jun 89

[By Ernie Seon]

[Text] Castries, St Lucia, June 29, CANA—St Lucia's prime minister, John Compton, on Thursday urged Caribbean Community heads of government not to cancel a July 3-7 summit in Grenada.

The appeal came amidst suggestions from some Caribbean leaders that the meeting should be postponed or held in another country in view of problems in the ruling party and Wednesday's gun killing of the acting police commissioner and an American political attache, informed sources here reported.

"If the summit is to be postponed or be moved to another venue, then this will be subject to all kinds of misinterpretations which will affect the security perception in the region," Compton said.

He told CANA his views on the matter had been communicated to at least five Caribbean leaders with whom he has been in touch by telephone.

On Wednesday, a senior police officer shot dead acting Commissioner Cosmos Raymond and American Political Attache John Butler.

Grafton Bascombe, on loan from his native St Vincent, also wounded two other senior policemen. Butler had tried to disarm the policeman, who the Grenada Government said died soon after of a heart attack.

Compton described the killings as "most tragic and unfortunate."

He said they do not seem to have any political implications, but argued that because of the recent history of Grenada, which the United States invaded in 1983 to topple a leftist junta, the matter would create an atmosphere of instability on the island.

"I hope this incident does not have any effect on the atmosphere at the summit, and I think that the summit should go ahead in Grenada so that it would be shown that we have confidence in the security arrangements that the government has put in place," Compton remarked.

He said that as a result, "every effort" should be made to convince countries that the incident was just an isolated one.

Prime Minister Compton said it did not suggest there were any loopholes in the administration of the Grenada Police Force, as such an incident was capable of taking place on any island.

"Lunacy takes place at any level. It is a matter of a person being deranged and it could happen at any place and at any level, and it cannot reflect on the administration or the organisation of the police force," he remarked. Compton said he was in touch with Grenada Prime Minister Herbert Blaize Thursday and offered his assistance in finding a replacement for the acting commissioner. "We are now awaiting a reply from the prime minister," Compton said.

He conceded that the shooting had caused complications to plans for a pre-summit meeting among members of the Organisation of Eastern Caribbean States (OECS) who are to take joint positions on a number of issues, and discuss the political situation in Grenada as it affects the timetable for plans for the political unification of some small countries.

"We are still hoping to find the time, although this incident has now complicated matters, but we are still hoping to discuss the matter with Prime Minister Blaize," he said.

Costa Rica

Arias Plans To Mediate Salvadoran Conflict

PA2906145389 Paris AFP in Spanish 1648 GMT 28 Jun 89

[Text] Bogota, 28 Jun (AFP)—Costa Rican President Oscar Arias said today that he plans to mediate between the Salvadoran Government and guerrillas to achieve peace in that country, but he ruled out a similar effort in Colombia.

Arias, who welcomed three leaders of the Colombian leftist M-19 [19 April Movement] guerrillas on Tuesday, 27 June, in San Jose, said that the guerrillas made no specific requests and only briefed him on developments in their country's peace process. The Costa Rican president, who made this announcement during a telephone interview with Bogota's private Caracol network, said that he urged the M-19 to work toward the dialogue option as a solution.

"I will try to persuade the two parties in El Salvador to negotiate," Arias said.

Arias explained that he decided to do this, because "9 years of war in that poor country has brought about even more hunger and destitution and no solution to its political and economic problems."

"I believe that the time has come to urge prudency to ensure that Salvadorans realize that the struggle to achieve power must be waged through elections and not arms," Arias pointed out.

Arias, a Nobel peace laureate, said that, with this idea in mind, he called for a dialogue to bring about a reconciliation and a peaceful understanding and demanded prudency from the parties involved in conflicts in various Latin American countries.

"We must show sensitivity and good will," he said.

Arias also revealed that during a meeting with Antonio Navarro Wolff and two other M-19 members, he asked them to "bury intransigency to find solutions leading to their reincorporation into political life."

The Costa Rican president said that he has not entertained the idea of mediating in the Colombian armed conflict.

"Nobody has asked me to mediate," Arias explained.

"They (the M-19) visited only to brief me on developments in the peace negotiations with the Colombian Government and the progress they have made," Arias said.

However, he said that the Colombian insurgents voiced "their fear that there is many a slip between the cup and the lip."

Arias said that "this is a very popular saying in Latin America," adding: "I respect those fears."

"They must have their reasons for briefing me on the negotiations, but they made no specific requests," Arias said.

El Salvador

Cristiani Blames FMLN for 29 Jun Car Bombs

PA3006041389 San Salvador Canal Doce Television in Spanish 0320 GMT 30 Jun 89

[Report by Marco Antonio Guevara]

[Text] FMLN [Farabundo Marti National Liberation Front] urban commandos dynamited at least five vehicles in various places throughout San Salvador this morning. According to eyewitnesses, one privately owned and four commercial vehicles were sabotaged today, 29 June, at various points in San Salvador. No casualties were reported. Using explosives, the actions—presumably perpetrated by the guerrillas—took place simultaneously at approximately 0830. The most dangerous occurred on 1st Avenue North across from 14 July Plaza, near the Central Market, where another bomb caused several casualties only a few days ago.

[Begin recording] [Unidentified reporter] Were you warned that this bomb was going to explode?

[Unidentified speaker] No, we were not warned; we only heard the shouting. That is all we heard.

[Reporter] What was being shouted?

[Speaker] I think warnings to run away because there was a bomb.

[Reporter] How many people were in the immediate area?

[Speaker] There were many. [end recording]

When asked to comment on this incident, President Alfredo Cristiani condemned the continuation of this kind of action, which he described as terrorism:

[Begin Cristiani recording] To a certain extent, the FMLN is misinterpreting our intentions, and I believe it is also trying to create the impression that it is still strong. Exactly the reverse is true. The FMLN is only revealing its true terrorist nature by carrying out actions of this type, by murdering defenseless people and civilians. Their most recent technique of attacking vehicles shows that they lack strength. [end recording]

According to reports, there were also explosions in the Monserrat, Montebello, and Centro America neighborhoods and at the intersection of 1st Avenue North and 31st Street West.

Armed Forces Report Army, FMLN Casualties

PA2806162789 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Jun 89

[Text] An official Armed Forces report indicates that five guerrillas and two policemen were killed during clashes over the weekend [24-25 June].

According to the report, two National Guardsmen were killed and three were seriously wounded when they were ambushed by guerrillas in San Pablo Tacachico, La Libertad Department. Five guerrillas were killed in clashes with 3d Brigade troops in Torola and Perquin in northern Morazan Department.

Meanwhile, the Farabundo Marti National Liberation Front [FMLN] totally destroyed the ANTEL [National Administration for Telecommunications] offices on the road leading out of Azacualpa, Chalatenango Department. This morning, FMLN urban commandos set fire to a soft drink distributor's truck on 10th Avenue South in San Salvador.

Economy Minister Zablah Outlines Policies

PA2806162489 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Jun 89

[Text] Economy Minister Jose Arturo Zablah denied today that the government is preparing drastic economic changes. He pointed out, nevertheless, that the Economy Ministry's policy basically consists of lifting certain commercial controls and privatizing state institutions.

Zablah defined his plan as a first step toward eradicating extreme poverty, adding that it is based on four key points. The economy minister said the plan is an effort to control inflation, devalue the currency, and allow economic reactivation.

[Begin Zablah recording] First, we will promote economic deregulation. It will be a gradual, responsible deregulation that will require lifting certain controls that have been holding back El Salvador's development.

Second, we will privatize certain state institutions that are not meeting their intended functions.

Third, our foreign trade will be adapted to El Salvador's new laws and to the new international trade guidelines. I am referring to both exports and imports.

Fourth, but not least, we will practice monetary and fiscal discipline, which will allow us to stabilize the colon and control inflation. [end recording]

The economy minister also said that despite the difficult situation, a draconian economic package—which has been rumored over the past few days—has been ruled out.

[Begin Zablah recording] I firmly deny the existence of such an economic package. [end recording]

The Economy Ministry will not allow the prices of staple products to increase, and merchants who raise prices without government authorization will be fined, Zablah said.

Honduras

Nicaraguan Ambassador on Assassination Plot

PA2906142889 Tegucigalpa Cadena Audio Video in Spanish 1215 GMT 29 Jun 89

[Report by Elan Reyes Pineda]

[Text] Francisco Lacayo, Nicaraguan ambassador to Honduras, has interpreted as a CIA hoax the plot reported in San Pedro Sula by a presumed Sandinist spy. The diplomat denied his government has infiltrated any espionage equipment into Honduran territory. He said that, on the contrary, Nicaraguan President Daniel Ortega wants to promote the presidents' meeting to be held in Tela. Today, the Nicaraguan Government presented its version of the report.

Orlando Solorzano, a presumed Nicaraguan defector, has said that Ortega plotted against Honduran President Jose Azcona, Rafael Leonardo Callejas, Carlos Flores Facusse, and Msgr Hector Enrique Santos, all of whom would have been assassinated. Ambassador Lacayo has presented his government's position.

[Begin recording] [Lacayo] Serious charges have been levelled, regardless of the rank and authority of the person presumably involved. It has been reported that Nicaragua is mounting what can be termed an extermination plot. These charges are so exaggerated that any intelligent person must doubt their genuineness. According to Solorzano, or those who wrote this script for him, there is a plot to exterminate Honduran leaders. We think it is necessary to ponder the kind of persons that reportedly would be our victims. They are apparently trying to create a very deep [words indistinct]. However, the persons mentioned as would-be victims are very prestigious and we respect them very much.

[Reporter] Solorzano said the Nicaraguan Embassy knows the identity of various Nicaraguan groups active in Honduras. This kind of activity appears to be espionage or at least would serve to collect much information useful to the Sandinist Government. Do you have anything to say about this?

[Lacayo] I would only say that honest people with common sense, the great majority in the friendly Honduran people, should compare such a report with my

earlier report for Radio America. When this man, reading his script, was asked if the embassy was aware of his presumed actions, he said no, that they do not usually report such things to the embassy. Apparently, he then said yes only a few minutes or hours later. This is what I am referring to when I say they are again attacking without taking care not to fall into contradictions from the beginning.

[Reporter] What is your relationship at present with presidential candidates Flores and Callejas, President Azcona, and Msgr Santos?

[Lacayo] We have excellent diplomatic relations. No one in this country could say that we—the diplomatic representatives in Honduras, myself, the officials serving under my authority, or embassy adviser (?Nadim Ocon), a highly cultured woman—have in any way shown disrespect or aggressiveness. Quite the opposite is true.

[Reporter] You have said somebody has been writing a script for Solorzano. Whom do you have in mind?

[Lacayo] We, reporters, everyone knows, and it is well known in Central America, that there are radical forces interested in causing our two coutries to confront each other. These forces want to avoid a just, democratic, and friendly relationship among our people. To mention a few, the CIA has invested large amounts of money; we have confirmed the existence of CIA plots.

[Reporter] Would the CIA operate in Tegucigalpa against Nicaragua, all by itself?

[Lacayo] I am not supposed to know that. However, there is a saying that goes: If an animal walks like a duck, has feathers like a duck, and reproduces like a duck, it is a duck; and it is difficult for an elephant not to leave tracks in the butter in the refrigerator.

[Reporter] To what would you attribute the defection of these soldiers? Is it because they feel uncomfortable in the Sandinist Army?

[Lacayo] It would be necessary to ask them. The current presumed defector apparently has been unable to say why he left. His assertions, as they were read, sound very confusing, as if to indicate there is no genuine cause for such a statement, except money. Mankind's history abounds in cases like this. [end recording]

Lacayo failed to reply clearly on Nicaraguan Foreign Minister Miguel D'Escoto's questioned charges saying Azcona had established a drug trafficking state in Honduras. Solorzano said a group of Nicaraguan military men entered Honduras to assassinate General Gustavo Alvarez Martinez.

Economic Program Not To Include IMF Measures

PA2906152989 Paris AFP in Spanish 0511 GMT 28 Jun 89

[Text] Tegucigalpa, 27 Jun (AFP) Today, the Honduran Government announced "an economic adjustment program," but rejected most of the IMF and World Bank measures that condition the signing of financial agreements.

Finance Minister Reginaldo Panting announced the official decision and ratified the de facto moratorium adopted by the Honduran Government with the World Bank. The World Bank had declared Honduras "ineligible" in April, based on a 5-month delay in debt reduction which, at the time, was $57 million.

The new "economic adjustment" program will begin 1 July and be implemented whether or not Honduras reaches agreement with the IMF or the World Bank.

Presently, Honduras' negotiations with both organizations, which are geared toward signing letters of intent, have been interrupted after failure to reach agreement during previous meetings held a month ago. It was attempted at these meetings, for the second time, to reach points of agreement on the economic readjustment program needed to diminish an approximate $250 million deficit by at least $50 million.

The Honduran Government expects to attain the $50 million deficit reduction by decreasing regular expenses, increasing taxes, and improving its tax collection system, among other measures.

The only IMF measure that was partially approved by the Honduran Central Bank Directory was to increase from 40 to 50 percent the foreign exchange allowed to exporters for their foreign sales. The IMF recommended that the percentage be increased to 75 percent.

This type of foreign exchange is given to exporters in shares called Transferable Certificate for Access to Foreign Exchange (CETRA), that have a value similar to that of the dollar, both in official exchange (2 lempiras for $1) and on the black market (3.5 lempiras for $1).

In addition, the IMF proposed that banana multinationals—Standard Fruit Company and Tela Railroad Company, a subsidiary of United Brand—and mining firms continue to receive 65 percent in foreign exchange for their exports. All these companies have U.S. capital.

Nevertheless, President Jose Azcona's administration reduced this percentage to 50 percent and matched the percentage of these companies to that of the rest of the country's exporters. The Central Bank also rejected a sales tax increase—from 5 to 7 or 8 percent—proposed by the IMF.

The IMF also proposed that import taxes be charged based on an appraisal of the products based on CETRA shares and not on the official exchange rate of 2 lempiras for $1. Such an action would increase tax income by 75 percent.

The government also rejected this proposal because it accepted the thesis presented by Central Bank President Gonzalo Carias that such a proposal would officialize the dollar's parallel market and, consequently, favor devaluation.

Furthermore, government officials stated that the measures would bring about a drastic inflationary upsurge that, according to the Central Bank, is presently holding at 6 percent.

The government described the World Bank's disbursement program as disadvantageous because, in exchange for paying the past due quotas, Honduras will receive new loans that amount to less than the amount owed.

Banking authorities say that last year the World Bank furnished Honduras with only $25 million out of the $75 million established in a global agreement, and income from capital amounted to less than the payments, quotas, and interest charged during the year.

Honduras has not received a loan from the IMF since 1982.

Nicaragua

Ortega: U.S. Trying To 'Destabilize' Elections

PA3006024989 Panama City ACAN in Spanish 0125 GMT 30 Jun 89

[Text] Managua, 29 Jun (ACAN-EFE)—Nicaraguan President Daniel Ortega said today that U.S. congressional legislation gives Washington a "carte blanche" to destabilize Nicaragua's election process and to "further polarize" the internal situation in that Central American country.

Ortega supported his statements by pointing out that the U.S. House of Representatives recently approved a GOP initiative allowing the CIA to carry out "covert actions" in Nicaragua.

Ortega said that the CIA will use various opposition groups in Nicaragua as "instruments" in an effort to destabilize the election process and destroy the Sandinist revolution, which will commemorate its 10th anniversary on 19 July.

During a speech delivered in Managua on Teachers Day, Ortega said that the only way the government will accept U.S. participation in the election process is if it "openly" allocates 50 percent of its aid to the opposition and the other 50 percent to election expenses.

In complying with the agreements signed by the Central American presidents in El Salvador on 14 February, the Sandinist government promised to carry out general elections on 25 February 1990, after amending the Electoral and Media Laws. "We will see how many governments protest this act of arrogance by the United States, which continues to implement the big stick policy in Nicaragua," Ortega said.

Foreign Ministry Denounces Propaganda Campaigns

PA2906131189 Managua Radio Sandino in Spanish 1205 GMT 29 Jun 89

[Communique issued by the Foreign Ministry in Managua on 28 June; read by unidentified official]

[Text] The Nicaraguan Foreign Ministry informs the people that:

The Honduran press has been publishing statements made by Orlando Solorzano Martinez, a Nicaraguan citizen, who is being presented as a captain of the Sandinist People's Army [EPS] and who, along with two other officials, reportedly infiltrated into Honduran territory to mount criminal attacks on high-ranking Honduran political and religious leaders. In his statements, Mr Solorzano has made charges against the Nicaraguan Government. These charges are similar to the ones being used as an excuse to isolate Nicaragua and heighten the aggression against the Nicaraguan people. According to an EL HERALDO editorial in its 28 June issue, Solorzano's news conference was sponsored by the Public Security Forces' public relations office.

In the past few months, systematic propaganda campaigns aimed at discrediting Nicaragua have been orchestrated. Meanwhile, mercenary attacks and infiltrations from Honduran territory continue to occur in open disregard for the Esquipulas II agreements. This is the type of slander and blatant manipulation to which those who are attempting to create confusion regarding the proven conduct of the Nicaraguan Government must now resort. Nicaragua strictly abides by international law and struggles for peace and respectful coexistence among states.

Actions have proved that the campaign against Nicaragua is a lie. Mr Solorzano, who was never a member of the EPS, joined the Interior Ministry on 20 August 1979 and was given a dishonorable discharge on 28 January 1987 following a long list of violations. During his years in service, he reached the rank of lieutenant. According to available information, after he was discharged from the Interior Ministry, he went to work as a private guard at the Intercontinental Hotel in Managua.

The Nicaraguan Foreign Ministry denounces and warns the Honduran people and the world of these false and slanderous campaigns launched at a moment when a Central American presidential summit, to be held in Honduras, is being planned. This seems to be an effort to

hinder the Central American presidential summit, to create a climate of insecurity and hostility against the Nicaraguan diplomatic representatives in Tegucigalpa, and to adversely affect the regional peace efforts.

Managua, 28 June 1989.

BARRICADA on Propaganda

PA2906192989 Managua BARRICADA in Spanish 28 Jun 89 p 5

[Text] A propagandistic scandal was promoted in Honduras yesterday, with the report that an alleged Nicaraguan spy, who had surrendered to Honduran authorities, "had the mission of assassinating President Azcona, Archbishop Santos, presidential candidates, and Honduran opposition leaders."

Honduran media identified the alleged defector as Orlando Solorzano Martinez, whom they claimed was trained in Cuba.

Regarding this case, it is recalled that at other times in Honduras, alleged Nicaraguan military defectors have been presented to make charges against the Sandinist Government. In most cases, such citizens did not exist under the names cited or simply were not connected with the Nicaraguan Armed Forces.

As is known, Honduran President Azcona Hoyo's government has recently used the pretext of Nicaraguan Foreign Minister D'Escoto's statements in Caracas to threaten to break relations with Nicaragua.

Ortega on Latin American Economies' Regression

PA2906161589 Managua Radio Sandino in Spanish 1200 GMT 29 Jun 89

[Text] The economies of Latin American countries have regressed to 1978 levels, said President Daniel Ortega, who added that the Nicaraguans' advantage in this overall poverty is their revolution. The president also referred to the research being carried out by [first name unknown] Taylor, the Swiss economist, and said his results have coincided with the revolution's analysis of the economy.

[Begin Ortega recording] He has been quite clear about this. The overall crisis prevailing in Latin America and the Caribbean is a serious problem, and a solution cannot be achieved through the usual conduits.

In Nicaragua's case, we have an advantage, the revolution. That is our great advantage over other Latin American countries; it gives Nicaragua a certain strength—despite the aggression and the war—to face its economic problems.

In our case, it is not a matter of putting the revolution in reverse; it is a matter of seeking a better agreement, even with economic groups that refuse to accept the changes in Nicaragua. We have yet to reach an agreement with those groups. We have reached an agreement with the peasants...[changes thought] with small farmers—even with big farmers who are producers—but we have yet to reach agreement with the COSEP [Higher Council of Private Enterprise] leaders and groups that have a counterrevolutionary position and are trying to boycott the economy.

Therefore, the economic program remains in effect; it is strong and it is being applied efficiently. Inflation has lost strength... [corrects himself] has lost momentum with the measures we recently adopted. We believe this will allow us to face even better the difficult economic situation prevailing in Nicaragua. [end recording].

Denies 'Economic Slump' Reports

PA2906181489 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Jun 89

[Text] President Daniel Ortega today denied a report by a correspondent of the influential U.S. newspaper THE NEW YORK TIMES in which it is asserted that Nicaragua's economy has dropped to levels more deplorable than those in Haiti. That report is not ours, President Ortega said.

[Begin recording] [Reporter] President Daniel Ortega today denied a report by THE NEW YORK TIMES referring to Nicaragua's economic slump, which was reproduced here by the (?pardoned) daily newspaper LA PRENSA.

[Ortega] Rather, what we [words indistinct] discussions we have held with Mr Taylor. He presented a report to us which completely coincides with our own report on the economy. All he had done is demonstrate that [words indistinct]. I have no idea where THE NEW YORK TIMES [words indistinct]. He did not come here for this purpose. (?I do not know him).

[Reporter] Ortega also denied reports that the Sandinist government is opposed to holding the Central American summit.

[Ortega] Now, I have been in favor (?in principle). What happens is that there are objective problems. I talked with (?President Arias) by telephone. He said he was going to send his foreign minister to President Menem's [Argentine president-elect Carlos Memen] inauguration, and I have been invited to President Menem's inauguration. I think this would be a good time to decide the date of the meeting. We are thinking that there is [words indistinct]. [end recording]

Ortega, Ramirez Redistribute Somoza's Land

PA2906221389 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Jun 89

[Unattributed report on statements by President Daniel Ortega at ceremony to present land title deeds to peasants at a farm on Carlos Fonseca Amador Road "today"]

[Text] Today, President of the Republic Daniel Ortega, accompanied by Vice President Dr Sergio Ramirez Mercado, presented 28 land title deeds and 38 property certificates to peasants on Carlos Fonseca Amador Road, 41 km from the capital.

A total of 488 families—individual property owners and collective production units—benefited from the distribution of 4,418 manzanas of land. President Ortega said the government and the Sandinist National Liberation Front [FSLN] are thus complying with a commitment. He added that they will not stop until every Nicaraguan peasant owns a piece of land:

[Begin Ortega recording] Where did this land come from? From La Palma farm. Do you know who owned La Palma? [crowd answers indistinct words] Yes, Somoza once owned it. That farm, once owned by Somoza, is now being distributed among the peasants.

Today, we are doing nothing more than fulfilling a commitment that the revolutionary government and FSLN have with the Nicaraguan people—in this case, with the peasants. [end recording]

Ramirez on Review of Land Expropriations

PA2906163589 Managua Radio Sandino in Spanish 1200 GMT 29 Jun 89

[Text] The Nicaraguan Government will review the cases of the expropriation of land owned by Mr Arnulfo Aleman, Mr Nicolas Bolanos, and Mr Jaime Cuadra, stated Vice President Sergio Ramirez Mercado in reply to a letter presented by the Nicaraguan Chamber of Commerce through His Eminence Cardinal Miguel Obando y Bravo.

Ramirez added that, nevertheless, expropriations are allowed by the agrarian law, which authorizes the government to expropriate land for public utility purposes.

Ramirez told Cardinal Obando y Bravo that the cases will follow the procedures established by the law, which contemplates reimbursements for the expropriations.

PRT Names Executive, Legislative Candidates

PA2806154489 Managua Radio Sandino in Spanish 1200 GMT 27 Jun 89

[Text] Yesterday, the Revolutionary Workers Party [PRT] became the first left-wing political organization in Nicaragua to nominate its candidates for elective posts in the executive branch and the national parliament.

This PRT leadership decision was adopted through a resolution of the Fourth PRT Congress, which was held over the weekend. The candidates are: Bonifacio Miranda for president and Dr Juan Carlos Leyton for vice president. The candidates for positions in the National Assembly are: Rene Tamaris, principal; and (Leslie Perez), alternate.

The Fourth PRT Congress voted to nominate the candidates to the regional electoral councils and representatives to the Central American Parliament at a later date.

Commander Arce Returns From SI Congress

PA2906153289 Managua Radio Sandino in Spanish 1200 GMT 28 Jun 89

[Text] During the most recent Socialist International [SI] congress, in which Nicaraguan Commander Bayardo Arce participated, five European governments confirmed to the Sandinist National Liberation Front [FSLN] that they will send technical and material assistance to organize the Nicaraguan 1990 elections.

Commander Arce said that during his stay in Stockholm, he met with Socialist leaders from Spain, France, Sweden, and the European Parliament and with the foreign ministers of Sweden, Norway, Finland, Italy, Spain, and Germany.

[Begin Arce recording] We believe our trip to Sweden was extremely positive. We have strengthened our presence in the SI and we have also strengthened our links with the organization itself.

Our meetings with leaders of the parties with which we maintain closer and more systematic links were successful. We also discussed economic cooperation with heads of state and representatives of various ruling parties attending the SI congress, which have been helping Nicaragua or which maintain cooperative relations with the Nicaraguan Government.

Similarly, we met with various leaders of Latin American, Asian, and European parties, with which the FSLN has maintained good relations since the beginning of the Nicaraguan revolution because of its pluralist policy. All those meetings had very positive results for us because we found understanding, respect, and support for everything that Nicaragua has been doing to fulfill the Central American peace agreements. [end recording]

Commander Arce said that Nicaragua participated in the 18th SI Congress to consolidate its ties with the SI, its member parties, and its guests.

Arce asserted that Nicaragua's participation in the SI congress sought to contribute toward the Nicaraguan Government's efforts to increase foreign economic cooperation. Presently, Sweden has given the most to Nicaragua. Last May, Sweden organized a conference of countries that cooperate with Nicaragua.

Arce said that another Nicaraguan objectives was to obtain technical, material, and human assistance to organize the upcoming elections and to learn how the SI member states could help the FSLN in the election campaign.

Upon returning to Nicaragua, Arce stated that the SI member parties, governments, and groups expressed their desire to find ways to support Nicaragua.

Panama

Opposition Willing To Meet FDP Without Noriega

PA2906151389 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jun 89 pp A-1, B-4

[Article by James Aparicio]

[Text] The opposition is reportedly willing to initiate a triparite dialogue with the government and the Army without the presence of General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP].

This was announced by Ricardo Arias Calderon, president of the opposition Christian Democratic Party, who said that "those who attend (for the FDP) must be authorized to make substantial commitments."

"We have always said that dialogue should be held with the FDP, including its commander in chief," Arias said, noting that a requirement for drafting an "agenda" for the talks is that the FDP participants "be ranking FDP officers" with the authority to make commitments.

Arias stated that if the officers "do not have authority, dialogue will be of no use" in resolving the crisis that followed the annulment of the 7 May elections.

In political circles, it was learned that the FDP General Staff reportedly designated Colonel Guillermo Wong, chief of the State Security Services (G-2), and Lieutenant Colonel Carlos Arosemena King to represent the FDP in the talks.

However, the report has not been confirmed or denied by the FDP.

Arias accused President Manuel Solis Palma of "attempting to remain in his post" and rejected the various statements that Solis Palma has made to the media about the transfer of power on 1 September. Arias said that the Civic Democratic Opposition Alliance (ADOC) is awaiting a reply to the request it made [to the OAS mission] "to return as soon as possible" to Panama to define the mechanisms to guarantee the dialogue.

The OAS mission, which is made up of the foreign ministers of Ecuador, Guatemala, Trinidad and Tobago and OAS Secretary General Joao Baena Soares, was here in late May and early June seeking "formulas for reconciliation among Panamanians."

Former ADOC Candidates on Possible Dialogue

PA2906190089 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jun 89 pp 1, B-4

[Report by Camilo O. Baruco G.]

[Excerpts] A dialogue arranged by the OAS will not be easy because many things must be clarified, Guillermo Endara Galimany [former opposition presidential candidate] said when he spoke to the National Medical Negotiating Commission (COMENENAL) to thank its members for its "dinner in honor of the former candidates of the Civic Democratic Opposition Alliance [ADOC]." This event was held at the Atheneum of Science on 27 June.

"We have to see with whom we are going to hold a dialogue because we are not going to waste time and because we do not want to create false hope among the Panamanian people," Endara said.

From the beginning, we said the elections were important, but they were not enough to achieve the objective of democratizing the country, Endara said. The elections were very important as a step toward Panama's democratization, he said. "However, an agreement between civilians and soldiers is necessary, because we cannot conceive of a country in which the president is in the Presidency while General Manuel Antonio Noriega is in the Defense Forces," Endara added.

"With Gen Noriega, the president can be a puppet, but I will not agree to be Noriega's puppet."

Endara said that there will be a reply from the OAS at any time. "I would dare to say that the mission might arrive this weekend or perhaps early in the week." Endara is convinced that the talks will be difficult.

"We will see with whom we will talk because we are not going to waste time and create false hopes among the Panamanian people." Endara thanked the Panamanian professionals for their support during the political campaign, adding: "I know I have the support of COMENENAL because it upholds the same principles for which we struggle and the objective of democratizing Panama." [passage omitted]

Another speaker on Tuesday night was Guillermo Ford, former second vice presidential candidate of ADOC, who also expressed thanks for the event held in their honor. He said the ADOC principles are represented by the COMENENAL members and that those principles will not be violated. He explained that democracy entails the transfer of power and respect for freedom.

Dr Ricardo Arias Calderon [former ADOC vice president candidate] mentioned the country's crisis, noting that it is 20 years old. "The crisis encompasses all of Panamanian society in terms of basic coexistence and human well-being." This crisis, he added, affects the country's social conditions and the very essence of Panama's moral values. He denounced the country's morals over the past 20 years, and he promised to struggle to find a solution to our problems.

Canal Administrator Candidates Listed 28 Jun

PA2906171589 Panama City LA REPUBLICA in Spanish 28 Jun 89 p 1

[Report by Garrit Geneteau]

[Text] An initial list of Panamanian candidates for the position of Panama Canal Commission administrator, whose term will begin 1 January 1990, was issued today just as this edition was going to press. The announcement was made by the honorable Legislator Luis Gomez, chairman of the Panama Canal Affairs Commission at the Legislative Assembly.

The names disclosed were Tomas Gabriel Altamirano Duque, Fernando Manfredo, Hugo Torrijos Richa, Arnulfo Gaspar Suarez, and Luis H. Moreno.

Legislator Gomez said that these names had been formally proposed for the position, adding that the commission will continue to accept the names of candidates until Friday, when the fifth and final ordinary legislative period concludes.

If the Executive Branch, through Manuel Solis Palma, minister in charge of the Presidency, were to request extraordinary sessions, the Panama Canal Affairs Commission would, obviously, keep the nomination period open, Gomez said.

Gomez said that the United States cannot legally disapprove of the candidates proposed by Panama and has until 1 January 1990 to confirm the designee.

The Panama Canal Affairs Commission meeting was attended by the following members: Tomas Gabriel Altamirano Duque, Simon Quiros y Quiros, Alicio Rivera, and National Assembly Vice President Florencio Asprilla.

Draft Law Issued on Selection

PA2906183789 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jun 89 pp A-1, A-10

["Text" of Draft Law No 42]

[Text] Law No 42 of 1989

This law establishes the procedure for appointing the Panamanian administrator for the Panama Canal Commission [PCC] and sets forth other measures.

The Legislative Assembly decrees:

Article 1: During the time that the 1977 Panama Canal Treaties are in effect and in compliance with Article III, Section 3, Paragraphs (c) and (d) of the treaty, the Republic of Panama will propose to the U.S. Government, the name of a Panamanian citizen for PCC administrator. This citizen must be appointed by the Legislative Assembly through a resolution approved by the majority of its members.

Article 2: To become the PCC administrator, one must be a Panamanian by birth, at least 35 years old, should never have been convicted by the Judicial Branch of any crime against the public administration, and must have the proven professional capability.

Article 3: The Canal Affairs Commission will review the credentials of the proposed candidates and will verify the information presented for or against them. This will be done with respect for the candidates.

Article 4: The report or reports presented by the Canal Affairs Commission will be studied by the plenum of the Assembly. This Commission will present the candidate or candidates and the Commission members will have a maximum of 5 minutes in which to promote each candidate. The Assembly members will then vote and an absolute majority will be required for a final decision.

If the candidate or candidates are rejected, the Canal Affairs Commission will present another or other candidates within an established period.

Article 5: While fulfilling his mission, the Panamanian administrator will act according to the nation's interests, carrying out his duties and placing a special interest in Panama's active participation in the operation and maintenance of the canal in line with that which was prescribed in the 1977 Panama Canal Treaties and their annexes. Also, he will keep the Executive and Legislative Branches informed of his actions and will report any possible treaty violation. This administrator will also submit to these branches an annual report on his accomplishments.

Article 6: The Republic of Panama will be able to ask the United States to remove the Panamanian administrator when it feels necessary. Such a request must be the result of a resolution approved by an absolute majority of the Legislative Assembly. In any case, whoever replaces him must be chosen following the procedure established in this law.

Article 7: The Executive Branch will be authorized to deliver to the UN and OAS Secretaries General a copy of the letter Panama will send to the U.S. Government notifying it of the name of the citizen proposed for

appointment as PCC administrator in accordance with what is established in Article III, Section 3, Paragraphs (c) and (d) of the 1977 Panama Canal Treaties and the current law.

Article 8: The Panamanian PCC deputy administrator and administrator will enjoy the inherent privileges of their jobs.

Article 9: Before the Panamanian members of the PCC Board of Directors are proposed by the Panamanian Executive Branch to the U.S. Government in accordance with Article III, Section 3, paragraphs (a) and (b) of the 1977 Panama Canal Treaties, they will have to be approved by an absolute majority of the members of the Legislative Assembly through the procedures established in Article 195 of the Assembly's internal regulations.

Article 10: This law will enter into effect as of its promulgation.
Be it promulgated and executed
Issued in Panama City on 10 June 1989
Honorable Legislator Celso Carrizo, Legislative Assembly President
Erasmo Pinilla, Legislative Assembly Secretary General
[LA ESTRELLA DE PANAMA in its 28 June edition on pages A-1 and A-12 publishes a 450-word Legislative Assembly communique soliciting nominations for PCC administrator under terms of Law No 16 of 27 June 1989]

Tomas Altamirano Appointed 29 Jun

PA3006C03389 Panama City Televisora Nacional in Spanish 2344 GMT 29 Jun 89

[Text] A few minutes ago, the Legislative Assembly appointed Tomas Gabriel Altamirano Duque, honorable legislator and distinguished businessman, to the position of Panama Canal Commission [PCC] administrator as of 1 January 1990.

Altamirano Duque was selected by 43 votes in favor and 13 abstentions. The other candidates were current PCC Deputy Administrator Fernando Manfredo; Oscar Navarro; Reynaldo Barria Marin; Arnoldo Cano; Cecilio Simons, dean of the University of Panama's School of Public Administration; and Arnulfo Gaspar Suarez. None of the other candidates received any votes.

Following the announcement of his appointment as PCC administrator, Altamirano Duque thanked the Legislative Assembly for selecting him and accepted the challenge. He said that he was fully aware of the difficulties he will face, such as Law 96-70 [U.S. law on implementation of canal treaties]. Altamirano emphasized that he will do his best to prove to the world that Panamanians are capable of handling canal administration.

Nonaligned Meeting Denounces U.S. 'Aggression'

PA2906193789 Panama City Televisora Nacional in Spanish 2300 GMT 28 Jun 89

[Text] At the Nonaligned Movement's special ministerial conference on international law and peace in The Hague, Panama reported the U.S. aggression against our country and the U.S. violations of the Torrijos-Carter Treaties. This was reported at the opening session of the conference by Oscar Ceville, Panama's assistant permanent representative to the United Nations, who was given the opportunity to speak by Foreign Minister Jorge Eduardo Ritter.

Ambassador Ceville vigorously criticized the U.S. imperialist attitude of committing all kinds of outrageous acts against our peoples' sovereignty and independence by using its absolute control over international news media and carrying out huge campaigns to discredit countries and Third World leaders. The U.S. objective is to bend those countries' sovereign will and to place them under its sphere of influence and control. Ceville said that Central America, particularly Nicaragua and Panama, have been a test ground for new forms of psychological and low-intensity warfare in an attempt to impose those policies of domination.

Solis Palma To Attend Menem Inauguration

PA2906192689 Panama City MATUTINO in Spanish 29 Jun 89 pp 1, 18

[Article by Roberto R. Rodriguez]

[Text] Manuel Solis Palma, minister in charge of the Presidency, will leave 8 July for Buenos Aires, Argentina, to attend the inauguration of Peronist President-elect Carlos Menem. Solis was invited by outgoing President Raul Alfonsin and the president-elect, MATUTINO confirmed from a source close to the presidential palace.

The Panamanian president will be accompanied by a small delegation including Panamanian Foreign Minister Jorge Eduardo Ritter.

Menem was elected in May and will take office ahead of schedule in light of the resignation submitted by outgoing President Raul Alfonsin. Argentina is plagued by a severe economic crisis and foreign debt situation that only an economic miracle can resolve.

Argentina is a member of the Group of Eight, which was founded in Panama within the framework of the Contadora Group, at a time when the United States saw the need to thwart the Central American regional peace initiative carried out by Mexico, Colombia, Venezuela, and Panama.

The U.S. threats were aimed at preventing a peaceful solution through dialogue and negotiation in Central America, according to Latin American diplomatic experts, who added that "the triumph of Contadora would have implied the loss of U.S. hegemony throughout the hemisphere."

Menem won by a large margin in last May's elections, despite the U.S. State Department pressures to prevent him from attaining victory through democratic means. With this objective in mind, Elliott Abrams, then U.S. assistant secretary of state for inter-American affairs, traveled personally to Buenos Aires. He asked the Peronist candidate to avoid making statements that would benefit Panama in its sovereign struggle to perfect its independence.

Japanese Company To Transfer From Panama

PA2906180789 Panama City ACAN in Spanish 2050 GMT 28 Jun 89

[Text] Costa Rican Finance Minister Fernando Naranjo announced today that the Japanese Government has decided to transfer its Commercial Office for Central America (JETRO) from Panama to Costa Rica.

Naranjo, who recently returned from a tour of the Far East, said in a news conference that Japanese economy officials told him that "within 3 months" they will open their JETRO offices in Costa Rica, to boost exports to Japan.

A Japanese diplomat told ACAN-EFE that "the crisis situation in Panama and the atmosphere of investment, peace, and tranquillity in Costa Rica" were the main reasons for the change.

The Costa Rican minister said that following his meetings with the Japanese officials, negotiations were concluded for an "advantageous" $100 million loan for Costa Rica, which will help Costa Rica's balance of payments.

The loan is repayable in 25 years, with a 7-year grace period, and a 2.9 percent interest rate.

Naranjo added that the loan will be turned over in mid-July to the Costa Rican Legislative Assembly for ratification.

This loan is part of joint financing with the World Bank, which has granted another loan for $100 million, which has been pending ratification by the assembly since December.

The minister also said that he found Taiwanese and Hong Kong investors and authorities to have a positive attitude toward Costa Rica. This will help relieve the foreign debt burden which surpasses $4 billion.

Naranjo said that in the British Colony of Hong Kong, he found special interest among businessmen to invest in Costa Rica; those who are already operating want to increase their capital.

Sanctions Against Newspaper Official Confirmed

PA2906144889 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jun 89 pp 20, A-10

[Text] Government and Justice Minister Rodolfo Chiari De Leon confirmed Resolution No 025, dated 6 June 1989, in its entirety. The aforementioned resolution sanctioned Pablo Castrejon, chief editor of the newspaper ULTIMAS NOTICIAS, with a $1,500-fine "for violating Article 15, Paragraph A, of Law 11 of 1978"

The minister issued Resolution No 67 on 26 June 1989, confirming Resolution No 025, in response to an appeal presented by Mr Castrejon for the resolution to be reconsidered. The ministry ordered that Mr Castrejon be sanctioned when INTEL [National Institute of Telecommunications] Director Luis Blanco presented formal charges pertaining to statements in ULTIMAS NOTICIAS on 18 and 25 May 1989. Blanco's charges asserted that the information in these statements was "false."

Resolution No 67, which confirmed the sanction, was signed by Government and Justice Minister Rodolfo Chairi De Leon and Deputy Minister Targidio Bernal. Among other things, the resolution indicated "that the appellant failed to present evidence of the veracity of the statements published in ULTIMAS NOTICIAS on 18 and 25 May 1989."

The resolution's "Whereas" also noted that "the first three objections presented by the appellant, stating that he had not been notified during working hours, to support an alleged violation to due process of law by this ministry, lack any legal basis. According to article 1001 of the legal code, personal notifications in general can be carried out on any day between 0600 and 2200, including nonworking days. [no closing quotes as published]

Acting Directors of Two Newspapers Appointed

PA2906175789 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Jun 89 p A-4

["Names and Events" column]

[Text] Mario Martinez Puentes, former secretary general of the Journalists Union of Panama and a seasoned professional, has been appointed acting director of LA REPUBLICA, a very prestigious evening and Sunday newspaper. Carlos J. Nunez has been appointed MATUTINO acting director. Nunez is expected to do a good job as acting director.

Commission Extends Restrictions on Deposits

PA2806181889 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Jun 89

[Text] The National Banking Commission has decided to continue the restrictions on savings accounts and time deposits until further notice. However, all new deposits of any nature made after the restrictions were first established remain available for withdrawal without restrictions.

Argentina

Menem on September Visit to U.S., Military Issue

PY2906184289 Buenos Aires Domestic Service in Spanish 1600 GMT 29 Jun 89

[Excerpts] [Passage omitted] In an interview with LA NACION, Menem confirmed that he will visit the United States next September to hold meetings on the renegotiation of the foreign debt, and to address the UN General Assembly. Commenting on the need to visit the United States, the president-elect said: We have to admit it, all the action is there. President Bush had already invited Menem to visit his country. [passage omitted]

Menem is confident that, after he is inaugurated, he will solve the military problem. He said that Defense Minister-designate Italo Luder is studying all possible solutions. He pointed out: I do not want to interfere with Luder's studies because he is in contact with the Armed Forces and is doing fine. Clearly refering to the consequences of the anti-subversive repression, he said: It is high time Argentine society wounds begin to heal. [passage omitted]

Menem said Mohamed Ali Seineldin and Aldo Rico's situation is not taboo for him. It is not taboo, he said, a series of disciplinary measures have been taken against them. [passage omitted]

U.S. Economist Jeffrey Sachs To Advise Menem

PY2906174089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 29 Jun 89

[Text] Buenos Aires, 29 Jun (NA)—U.S. economist Jeffrey Sachs will serve on the future Argentine economic team at the express request of President-elect Carlos Menem, with whom Sachs met until 1200 today at Menem's apartment on Posadas Street.

Sachs himself made the announcement upon leaving the apartment with Planning Secretary-designate Moses Ikonikof.

Ikonikof made it clear that Sachs will not hold any specific post, but will work as adviser to the Planning Secretariat and to the Public Works Ministry.

Sachs assisted the Bolivian Government in curbing hyperinflation in that country.

Menem To Visit Brazil After Inauguration

PY2900145500 Buenos Aires TELAM in Spanish 1239 GMT 29 Jun 89

[Text] Buenos Aires, 29 Jun (TELAM)—Foreign Minister-designate Domingo Cavallo has announced that President-elect Carlos Menem will travel to Brazil after he assumes power to meet with Brazilian President Jose Sarney in order to evaluate bilateral relations.

Before departing for Brazil just after 0900 [1200 GMT] from the Jorge Newbery Metropolitan Airport, Cavallo stated that he was going to Brazil to visit and greet Sarney. He also said that Menem will travel to Brazil after he takes over as president, although he did not give a date.

The economist said that with a "good economic program, and after overcoming the very serious delay in paying international financial organizations, as well as in paying creditors for imports that have piled up during the past few months, it may be feasible to begin renegotiating the foreign debt on conditions favorable to our interests."

"In other words, we will seek negotiations that will permit investment and the growth of the Argentine economy," he said.

CNEA Chairman-Designate on Projects, Policy

PY2906153889 Buenos Aires TELAM in Spanish 2135 GMT 28 Jun 89

[Text] La Rioja, 28 Jun (TELAM)—Manuel Mondino, chairman-designate of the National Commission for Atomic Energy [CNEA], has said that during his administration the construction of the Atucha II nuclear plant and the Arroyito heavy water enterprise will be completed.

Mondino explained that President-elect Carlos Menem has approved obtaining the necessary financing to complete these projects, which are currently under construction.

The new CNEA chairman, who met with Menem at his official residence, stated that the current energy crisis "has resulted from neglecting the nuclear plants and from failing to form development plans, as in the case of Atucha II."

Mondino, who until now was CNEA development manager, said that the energy problem is a "sword of Damocles, because any slightly optimistic assessment of the country's development within the framework of the productive revolution will show that we will be constantly short of energy."

He also referred to the scientists who have left the country in the past few years and asserted that "the vacuum is due not only to an uncontrolled brain drain but also to the fact that little assistance is given to those who remain in the country."

Mondino said that "it is necessary to create suitable conditions for the scientists and technicians in Argentina by giving them support. As soon as the new government gives the word, we are going to stop the flight of our scientists, and those abroad will recover their hope of returning to the country."

When asked about the degree of dismantlement of the CNEA, he asserted that "it cannot be quantified," but he noted that the "serious budget cuts implemented during the past few years have left the CNEA on the bottom of the current government's list of priorities."

Mondino, who is 52, was born in Santa Fe Province and graduated with a degree in physics from the Balseiro Institute in 1959. After that he carried out studies on metals at the Institute of the University of Chicago [name as received]. The knowledge he gained from those studies he then used at the Bariloche nuclear plant.

Mondino lectured at the Swiss Federal Polytechnical School between 1972 and 1974, and again in 1977. He also carried out research in France and has been working for the past 6 years at the CNEA, where he has held the post of development manager.

Gassino Ratifies Decision Over Rebel Officers

PY2906193089 Buenos Aires TELAM in Spanish 1604 GMT 29 Jun 89

[Text] Buenos Aires, 29 Jun (TELAM) —Today Army chief of staff General Francisco Gassino ratified the resolution passed down by the Army Promotion Board which considers three lieutenant colonels involved in the December 1988 rebellion as "inept to hold their rank."

This information was revealed by a military source that stated that Gassino's resolution was disclosed individually to Lieutenant Colonels Felix Conforte, Mario Ruberto, and Osvaldo Tevere who were commanders of the 10th Logistical Battalion and the 601st Arsenal headquartered in Villa Martelli, and deputy director of the "Teniente General Pedro Aramburu" Infantry School, headquartered in Campo de Mayo, respectively, during the uprising headed by Colonel Mohamed Ali Seineldin.

The officers were informed about Gassino's decision by the 1st Army personnel commander, and they have the opportunity to appeal the measure before the defense ministry and the president of the nation.

Possible Terrorist Arsenal in Flores Discovered

PY2906141889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2005 GMT 28 Jun 89

[Text] Buenos Aires, 28 Jun (NA)—Weapons that could have belonged to some of the terrorist groups that existed in Argentina during the past decade were found today in a building being demolished in the Flores neighborhood of Buenos Aires.

The federal police have seized 15 weapons, among them revolvers and machine guns. The guns were wrapped in newspapers of the 70's and buried under the floor of an ancient wine cellar at 2383 Gregorio de Laferrere Street.

The police operation was carried out as a consequence of [passage indistinct].

Federal Judge Miguel Pons heard the case. He is the same judge who heard the case against Montonero leader Mario Firmenich, who was charged with kidnapping brothers Juan and Jorge Born.

Utility Rates Increased by Average 35 Percent

PY2806135289 Buenos Aires DYN in Spanish 1138 GMT 28 Jun 89

[Text] Buenos Aires, 28 Jun (DYN)—The Ministry of Public Works and Services has reported that public utility rates will increase by 35 percent as of today.

This increase will affect electricity, communications, liquid and gaseous fuel, and national sanitary services.

The increase will fluctuate between a minimum of 20 percent and a maximum of 50 percent, according to the type of service and the level of consumption: the higher the consumption, the higher the increase.

For a home consumption of 60 cubic meters of natural gas every 2 months, the increase will be 20 percent. For consumption between 60 and 250 cubic meters every 2 months, the increase will be 30 percent.

For liquid fuel, the average increase is 35 percent, although the highest percentage increase will be for diesel oil, which will now be sold at 12.5 australes per liter, an increase of 38.9 percent.

The price of a cubic meter of compressed natural gas was increased by 34.8 percent to 17.7 australes per cubic meter.

Mirage Plane Crashes in San Juan Province

PY2806130689 Buenos Aires TELAM in Spanish 0014 GMT 27 Jun 89

[Text] San Juan, 27 Jun (TELAM)—An Argentine Air Force Mirage airplane, on a training flight with a similar plane, crashed this afternoon in the southern part of San Juan Province.

According to reports released by Sarmiento Department police, the pilot tried to eject but died as his plane crashed.

The plane belonged to the 4th Air Brigade, headquartered in El Plumerillo, Mendoza Province. The unit sent specialized personnel to investigate the accident.

The deal pilot was identified as Roberto Carlos Bellini, a 31-year-old Air Force first lieutenant.

The specialized personnel who came from Mendoza to the township of Media Agua, Sarmiento Department, San Juan Province, determined that the plane crashed today at 1340 in an area known as El Portezuelo Lagoon in the Tres Esquinas district, some 73 km south of the capital of San Juan Province.

A source said that the pilot's remains will be taken to Mendoza, where he will be buried.

More Than 400 AIDS Cases Officially Registered

PY2906184889 Buenos Aires Domestic Service in Spanish 1600 GMT 29 Jun 89

[Text] Alarming news indicates that there are about 400 AIDS patients officially registered, and that most of them are men. The great majority of the patients live in Argentina, and 60 percent of the patients were infected in Argentina.

Bolivia

Interior Minister Identifies Mormon Killers

PY3006030089 La Paz La Red Panamericana in Spanish 0000 GMT 30 Jun 89

[Relay by Roberto Lascano from Government House]

[Text] Interior Minister Eduardo Perez Beltran tonight reported that (Gabino Rojas), (Irma Salazar), and (Constantino Yubra), who have been arrested, told police that the (Encina Laguna) brothers are responsible for the murder of two Mormon missionaries, and for the attacks on Congress and against former U.S. Secretary of State George Shultz.

Perez Beltran said that the investigation uncovered that the Zarate Willca group is [words indistinct] Marxist [words indistinct]. He added that the investigation continues and that the leaders of the group, (Horacio) and [name indistinct] will be arrested. The minister made these comments to the media in the government palace. [recorded passage indistinct]

Perez Beltran indicated that in the next few hours the police will arrest both (Felix) and (Nestor Encina Laguna), who are responsible for the murder of the two Mormon missionaries and the attack against the national Congress. He added that efforts are being made to arrest the head of the group named (Horacio) [words indistinct] important member of the of the Zarate Willca group.

Perez Beltran said that in the next few hours his ministry will give details of this case and of the subversives who make up the Zarate Willca group.

U.S. Military Aid in Drug Fight 'Unnecessary'

PY2906134289 Madrid EFE in Spanish 0245 GMT 29 Jun 89

[Text] La Paz, 28 Jun (EFE)—The Bolivian Government today described as "unnecessary" the military aid that the United States has offered to Bolivia to help in the fight against drug trafficking, but it stressed that it would be grateful for any economic aid to help replace the coca plantations with other crops.

These remarks were made by Bolivian Deputy Social Defense Minister Genaro Marquez in answer to a report submitted by Assistant Secretary for Inter-American Affairs Michael Skol [title as received] to a U.S. Congressional special committee for the abuse and control of narcotics.

The report dealt with the need to grant military aid to Bolivia and Peru to help them fight drug trafficking. The aid would be similar to that granted to Colombia.

Marquez stated that "Bolivia needs economic aid to strengthen specialized antidrug organizations and to implement the plan for voluntary reduction of coca plantations, but it does not need military aid."

It is Marquez' opinion that the special force that fights drug trafficking, which includes several organizations, has the capability to achieve the objectives for which it was created, although the task is difficult due to the lack of resources.

"If the United States grants military aid to Bolivia, a war will be unleashed in this country that will not leave a single stone upon another."

A huge campesino demonstration on 27 June in the town of Villa Tunari, Cochabamba Department (southeast of La Paz), protested the presence of DEA officials and the obligatory replacement of the coca plantations with other crops.

The deputy minister emphasized that Bolivia's ideas regarding the fight against drug trafficking are based on direct interdiction, on the plan for the voluntary replacement of coca plantations, and on alternative development.

The government official stressed that international cooperation with Bolivia in its fight against drug trafficking consists of economic and technical cooperation, and is without any condition that could undermine Bolivia's dignity and sovereignty.

U.S. Press Attache's Behavior Protested

PY2906140289 Madrid EFE in Spanish 2112 GMT 28 Jun 89

[Text] La Paz, 28 Jun (EFE)—Bolivia has expressed its amazement and displeasure at the words used by Mark Jakobs, former U.S. press attache in La Paz, in referring to Bolivians in an article published in the June issue of the ATLANTIC MONTHLY magazine.

In his article, "The Stone Cowboy in the Altiplano" ["El Vaquero de Piedra en el Altiplano"], Jakobs calls the Bolivians "small, dark, and strange gnomes, not really people, but human up to a certain extent."

Bolivian Foreign Minister Valentin Abecia stated that "we are amazed, displeased, and troubled by the attitude of this gentlemam."

Abecia stressed that the words of the former attache reflect "an erroneous idea and description of the Bolivian people by an official who was here for 3 years."

According to the U.S. Embassy in La Paz, Jakobs has stressed that the article "is a piece of fiction that reflects the viewpoint of a U.S. drug addict who is trying to reform himself. The characterization of Bolivia and the Bolivians in the story only reflects his attitude."

In a communique, the Information Directorate of the Foreign Ministry states that, on government instructions, Bolivian Ambassador to Washington Carlos Deluis has lodged a formal complaint with the State Department over Jakobs' unfortunate words.

The communique adds that the government has made known to the State Department that that type of literary expression, even though it be fiction, "tarnishes the good will between nations that are united through links of cooperation."

According to Washington sources, the Council on Hemispheric Affairs (COHA) has termed Jakobs' words "racist and defamatory," and it has asked that the official be transferred from La Paz.

The U.S. Embassy in La Paz has released a communique stating that "Jakobs left the mission on 22 June 1989 after completing a 3-year tour of duty as press attache."

The mission also indicated that the normal tour for this job is 2 years, "but Mr Jakobs asked for a 1-year extension due to the special affection he felt for Bolivia and the Bolivian people."

INE: 1988 Exports Totaled $597 Million

PY2806191389 La Paz PRESENCIA in Spanish 21 Jun 89 p 4

[Summary] The National Statistics Institute (INE) has reported that official exports in 1988 totaled $597.8 million. Almost 50 percent of these exports were produced by the mining sector. Of all minerals, zinc brought more money into the country: 460.2 million. Hydrocarbon exports amounted to 36.6 percent of the overall exports and natural gas brought in most currency: $214.9 million.

Brazil

Government Hopes for Agreement With IMF

PY2906230589 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jun 89 p B-5

[Text] The Finance and Planning Ministries hope that the IMF will reach a political agreement with Brazil. The IMF technical mission left on 23 June and, contrary to the intentions of the mission, the Brazilian Government does not believe it can reduce inflation below 20 percent. The government has already admitted that it is having problems improving its accounts in 1989.

The government has an existing IMF agreement which covers about $3 billion of the foreign debt payment scheduled for September. The IMF endorsement would be necessary for private banks and multilateral organizations, such as the World Bank, to liberate about $4.8 billion in loans and thus prevent a moratorium on fulfilling its international commitments.

Upon leaving the country the IMF mission informed the Finance Ministry that it approves of the government's measures to control the economy. The lack of results caused by the 25 percent inflation rate in June prevented any progress in the negotiations. The government will go into the second phase of the negotiations when the IMF mission submits its evaluation of the Brazilian economy to the IMF directorate.

If the IMF, after reading the technical mission's report is still interested in reaching an agreement, then Brazil will send a technical mission headed by Michal Gartenkraut, advisor of the Finance Ministry, with the final figures for the public accounts.

The government did not reach an agreement with the IMF technical mission regarding estimates for the deficit of state enterprises, which stands at 1.5 percent according to the Finance Ministry, and just under 2 percent according to the IMF. However, the economic team does not believe this would be an obstacle.

Debt Moratorium Possible

PY2906231489 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jun 89 p 8

[Text] Foreign Minister Mailson da Nobrega has said the country might be forced to suspend its foreign debt interest payments "to preserve the foreign exchange reserves at an adequate level." The reserves situation could become critical if the country cannot reach an understanding with the IMF, or if it cannot obtain new resources from the exterior in the next few months. According to Nobrega, President Sarney has made "a clear recommendation" in that respect. The suspension of interest payments, however, will be necessary even without a recommendation if foreign reserves drop below a certain level.

Nobrega said during a TV Gazeta program called "We Will Overcome the Crisis" that the critical drop in foreign exchange availability is the last step in the path of hyperinflation. The Argentine experience shows this to be the case: The critical drop in reserves forced the dollarization of the economy and destroyed all confidence in the local currency, resulting in an uncontrolled price explosion. In Brazil, we already have a certain dollarization of prices, and our reserves, although at low levels, have not reached that critical point. The recent adjustment of the official foreign exchange rate will encourage our exports and increase the availability of

dollars in the Central Bank, but the entry of new resources from the IMF, the World Bank, the Nakasone Fund, and other private banks, are essential to balance Brazilian foreign accounts.

The minister said Brazil is not seeking a confrontation with our creditors, but will simply use an emergency procedure the IMF recognizes as legitimate. Nobrega recalled that the Venezuelan Government suspended its interest payments and soon thereafter signed an agreement with the IMF. The Venezuelan situation was clearly considered in IMF regulations that provide for a suspension of interest payments when foreign exchange reserves drop below critical levels.

The finance minister said that Brazil is one of the few Latin American countries still paying its debt interest regularly. One way or another, countries like Argentina, Peru, Ecuador, Bolivia, and Venezuela have already suspended their payments to avoid a foreign exchange crisis of even larger proportions.

Sarney Not To Seek To Shorten Term in Office

PY2806192089 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jun 89 p 27

[Excerpt] President Jose Sarney will comply with any congressional decision to amend his term in office but he will not personally do anything to leave the Planalto Palace before 15 March 1990.

Thus, Presidential Spokesman Carlos Henrique Santos reacted to the remarks of government leader Luis Roberto Ponte (PMDB-RS) [Brazilian Democratic Mobilization Party-Rio Grande do Sul State] in the Chamber of Deputies . Ponte said last week-end that the president was willing to accept a shortening of his term in office. According to Santos, the president believes that the constitutional rules that apply to the presidential term in office should not be changed. [passage omitted]

Peruvian Rejects Linking Debt to Environment

PY2906150289 Madrid EFE in Spanish 0209 GMT 29 Jun 89

[Text] Rio de Janeiro, 28 Jun (EFE)—Peruvian Hector Vargas Haya, president of the Amazon Parliament, stated today in Rio de Janeiro that the foreign debt "cannot be paid" and that it cannot be negotiated in exchange for the preservation of the environment of the Amazon River basin.

Vargas Haya, who is also president of the Peruvian Chamber of Deputies, told EFE that this opinion was supported by the Congresses of Bolivia, Brazil, Colombia, Ecuador, Guyana, Suriname, and Venezuela last week in Manaus (northern Brazil).

"It makes no sense for those countries that did not look after their own forests to come now and tell us what to do with ours," the Peruvian congressman emphasized. He explained that external cooperation is welcome if it does not interfere with the sovereignty of the Amazon countries.

The Manaus meeting, the first since the Amazon Parliament was created in 1988 in Lima, Peru, decided to accelerate the implementation of the joint action agreements that have already been approved and to work for the adoption of unified legislation of the countries of the Amazon basin.

Vargas Haya said that there is full agreement for converting the Amazon Parliament into a political coordinating instrument for the preservation of the environment and for the rational use of the region for the benefit of the Amazon basin countries.

On 27 June Vargas Haya met in Brasilia with Paes de Andrade, president of the Chamber of Deputies, and with Nelson Carneiro, president of the Senate, who reaffirmed that the Brazilian Congress will continue to support the agreements of the Amazon Parliament.

Ship Leaves for UK With Toxic Waste Cargo

PY2806205789 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jun 89 p C-3

[Text] Santos—The Brazilian ship "Copacabana" at 0600 yesterday left the port of Santos (65 km southeast of Sao Paulo), carrying 35.6 tons of the toxic waste askarel (a synthetic insulant used in electric equipment) which will be incinerated in England. This chemical waste can harm the skin, can cause cancer, psychic changes, and the loss of sexual appetite. It has been stored since 5 June on a property in a residential area. This situation was reported to the authorities through an anonymous phone call.

New Attorney General Installed 29 Jun

PY2906155489 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jun 89

[Excerpt] Aristides Junqueira Alvarenga, has been installed as attorney general. Alvarenga replaces Sepulveda Pertence, who was appointed justice of the Federal Supreme Court. [passage omitted]

Chile

Chilean-Argentine Relations Begin To Warm

Aylwin Invited to Inauguration

PY2806142889 Santiago Domestic Service in Spanish 1030 GMT 28 Jun 89

[Text] Patricio Aylwin, president of the Christian Democratic Party and virtual presidential candidate for the Coalition of Parties for Democracy, will travel to Argentina next week to attend the presidential inauguration.

Aylwin is traveling in response to an official invitation extended to him by Argentine President-elect Carlos Menem.

Errazuriz Hopes To Strengthen Ties

PY2806142089 Santiago Radio Domestic Service in Spanish 1030 GMT 28 Jun 89

[Excerpt] Chilean Foreign Minister Hernan Felipe Errazuriz has stated that the Argentine Government that will be headed by President Carlos Menem offers an opportunity to strengthen integration between the two countries.

Errazuriz made this statement during a ceremony to celebrate the Andres Bello Diplomatic Academy's 35th anniversary.

[Begin Errazuriz recording] Our permanent ties with the Argentine Republic were strengthened by the results of the second consultation meeting of the Peace and Friendship Treaty held in Buenos Aires last April. Within that framework we have agreed on methods to prevent possible controversies and have taken concrete steps for the integration of our two countries.

The new Argentine government, to be headed by President Menem, offers a new opportunity to strengthen our relationship. The Chilean government reiterates its firm decision to prevent any incidents that may jeopardize the cooperation we must carry out for the well-being of our countries and [words indistinct]. [end recording] [passage omitted]

Joint Operations Scheduled

PY2906124089 Santiago Domestic Service in Spanish 1130 GMT 29 Jun 89

[Text] Admiral Jose Toribio Merino, commander of the Chilean navy and member of the government junta, has disclosed that this year the Argentine and Chilean Navies will once again carry out rescue operations in the zone of channels in southern Chile.

Merino explained that these are minor exercises and that Chile has never carried out joint strategic or tactical maneuvers with Argentina.

Future Joint Ventures With PRC Being Studied

PY2806180089 Santiago EL MERCURIO in Spanish 19 Jun 89 p B-1

[Text] Chilean and PRC businessmen are studying the possibility of forming joint ventures for the installation of three fish meal plants in different regions of the country.

According to Zhu Ruiqui, the PRC embassy commercial adviser in Chile [name and title as published], the possibility of installing these plants in the fifth (San Antonio) and eighth regions is being studied.

He said that if these plans are carried out, it will be the first time that PRC businessmen have engaged in that type of project in Chile. Regarding talks with SIPSA [expansion unknown], he said that a PRC delegation is now in Santiago discussing the possibility of jointly constructing a plant.

He said that the PRC believes, "the Chilean economy is one of the best in Latin America. The PRC newspapers praise the success of the Chilean economy as compared to other countries, because Chile's economic growth, inflation, and unemployment rates are positive. We believe that it is a good country in which to make investments. Economic cooperation can be achieved in this country because the conditions are favorable for foreign investment."

He said that there are possibilities of exporting new Chilean maritime products to the PRC, including frozen corbina and shellfish. He added that his country imports those products from Argentina and Uruguay, "because their production is larger than that of Chile, where those products are also a little more expensive because of the quality." He concluded by saying that talks about those imports are being held with Chilean businessmen "because it is difficult to find an amount available at a better price."

* Search for Right-Wing Nominee Viewed

* Possibilities Evaluated

33480199 Santiago HOY in Spanish 22 May 89 pp 3-6

[Article by Maria Irene Soto: "Jarpa Is the Man...in Spite of the UDI"]

[Text] When Hernan Buchi Buc declined last week to run for president, he dealt the right a heavy, below-the-belt blow.

Only those who worked with him for 40 days believed him when he gave the reasons for not accepting the nomination. ("I want you to know that I've done everything possible. I've pushed myself to the limit. But I haven't been able to surmount this essential contradiction.") But that did not mean that they agreed with the decision of "El Pelao." They felt betrayed. "If he didn't want to run, why didn't he so say before?" remarked someone on his team.

The youngest leaders' dream of bringing new blood into the political leadership had been scuttled. Some of them even behaved as if the bridegroom had stood them up at the altar. Sebastian Pineda, for example, was obviously uncomfortable during the press conference on Monday the 15th in the offices of Bancard. He would take off his glasses, knit his brow, move his lips as he read the text of the speech along with Buchi, and shrug his shoulders. "He was feeling very bad," someone close to him remarked.

Andres Allamand from National Renewal (RN) was another who did not come out looking too good. He had gone almost all out to get his party to support the former minister's candidacy, and it had cost him all too many complications. In any event, he stoically withstood the jokes that the other members of the political commission leveled at him, especially the "Jarpa people."

To those who were more distant from the candidate, Buchi's withdrawal was, at the very least, an act of "political irresponsibility."

'They're Using You'

As for the reasons that have been cited for his withdrawal, there is something of a consensus that personal motivations were decisive. Nonetheless, some more trenchant observers contend that the almost 2-hour meeting that Buchi had with President Augusto Pinochet on Thursday 11 May at La Moneda was "very important."

The sources agree that Pinochet had read him the riot act. He was bothered, they say, by the former minister's independent attitude. "The politicians are using you," Pinochet told him. He was also displeased that his proposal for reforms resembled, not to say was very similar to, RN's proposal. He was even less pleased about the visits that he paid to the vicar of solidarity, Bishop Sergio Valech, and to the Chilean Human Rights Commission.

Others add that the most important factor was that Pinochet let him know that he has not yet made any decision about his own candidacy.

It could be speculation, but the fact is that Buchi started talking about his withdrawal right after the visit that he paid to the palace. It was symptomatic, moreover, that he did not submit an account of his meeting with Pinochet even to his own team.

Everyone agrees on one thing: "His personal life was decisive." He was noticeably unenthusiastic; he even arrived late at the frequent meetings of the team that had been put together under the leadership of Sebastian Pinera. Also on it were Allamand himself, Cristian Larroulet, Hernan Larrain, Bernardo Matte, Enrique Barros, Arturo Fontaine Talavera, and Juan Hurtado.

From the very instant that Buchi uttered the decisive words, amid a sea of reporters and cameramen ("I have decided not to run for president of the Republic"), the shuffling of the political deck began anew. After Buchi, then what?

A minority hoped that he would reconsider, which seems practically impossible. Perhaps only his most enthusiastic followers still entertain that idea. When all is said and done, they will have to seek someone else to rally around.

'Jarpa Will Be the Candidate'

It was clear to most, and Luis Maira, the president of PAIS [Broad Party of the Socialist Left], for example, realized as much, that the former minister "was the last man who could bring together the two right wings: the Right that is most closely tied to Mr Pinochet and the Right that is more amenable to an opening and that seeks to compete under the new democratic system."

It is now utopian to think about a unity candidate.

As early as Tuesday, during the meeting of RN's political commission, it was understood that Sergio Onofre Jarpa will be the group's candidate, even though the issue was not addressed openly. They are waiting only for the electoral law to be enacted before calling a general council, which will have to decide who can get the job done.

There is a consensus in RN on this issue. There is no doubt about it, and any political leader who is asked will say so: "Jarpa is going to be our candidate." The decision has been made. They will, however, wait a reasonable amount of time before making it public.

The situation in UDI [Independent Democrat Union] is diametrically the opposite. They never bothered to wonder "what happens if...." The explanation that they give is that unlike RN, in which Buchi "had to win them over," he reflected the views of UDI "100 percent."

According to the diagnosis that they have done, not only was Buchi the only one capable of forging unity; he was also "the only one who had a chance to win." Jarpa does not, they assert, in spite of the slogan that "he can get the job done." Their objective now is thus to seek an alternative to the leader of RN.

The UDI concentrated on this last week. On Monday the 15th, just hours after Buchi read his statement, Joaquin Lavin and Andres Chadwick met with Jose Pinera to discuss the possibility of his running. His refusal was categorical, however. "He doesn't want to be a losing candidate," someone who knows him said.

They then floated other names. The best liked is former minister Miguel Angel Poduje (housing and secretary general of government). But as someone in RN said in reference to the UDI, "they have just chosen a way to die with elegance and stature."

Political Tactlessness

As things now stand, it is very difficult to talk about unity on the Center-Right, as it has euphemistically been called since 5 October. Many matters remain to be settled between RN and UDI, and they are what make a consensus impossible. UDI is, in fact, blamed for the loss in the plebiscite.

What has essentially happened is that RN has simply lost confidence in its former ally. It accuses it of having run one party inside another: "They made efforts to isolate us, and they wound up isolated. First they turned down the reforms, and when they became inevitable, they spoke of restricted reforms."

To continue: "In our party they are identified with the way the communists operate," one leader told HOY.

Another was more emphatic: "As long as they keep showing the political tactlessness that they have, we cannot run a campaign with them. Moreover, we don't want to worry about them stabbing us in the back." There is talk now that the death throes have begun. With Buchi gone, it is obvious that it was left without oxygen.

The UDI, in contrast, was confident. It argued that its proposal for Congress was "sensible." According to the figures that it was toying with, RN would get to fill 60 seats, and the remaining 60 would be apportioned among the UDI, Radical Democracy and the PN [National Party]-Phillips. They even thought that after the former minister's withdrawal there would be strong pressure for unity because now "we have to concentrate on Congress."

But if RN insists "on losing Congress to destroy the UDI," they say, they are going to run candidates in every district, because "we aren't going to go home."

Certain Candidate

The matter is not that important to RN. They are certain that the UDI will not get the 5 percent that it needs to survive. It is just a question of time. To them it is much more important to achieve accords with their other two allies and to capitalize at the polls on their new activists: the former members of the Free Democratic Center (CDL).

But if Jarpa is certain to be the candidate, what will happen to those who are currently in the race? The statements by Sergio Diez, to the effect that he is once again the only candidate who can forge unity, caused grief in National Renewal. They were even bandying about the possibility of withdrawing the nomination for senator from the eighth region that they had offered him a couple of weeks ago. "He has a week to think it over," an RN member told HOY.

As for Francisco Javier Errazuriz, two accounts were circulating. The PAC [Center Alliance Party], which German Riesgo heads and to which one of "Fra-Fra's" brothers belongs, was asserting that he would keep his candidacy going in spite of his illness. That must be his intention, but many doubt that he can keep it going. The investigation into the Banco Nacional is very far along, and some believe that a final decision is close at hand, as soon as he recovers from the bypass operations.

The others are out of the question. At least they do not trouble the right. Obviously, it has not yet recovered from the harsh blow represented by the withdrawal of Hernan Buchi, the one who was "the man."

* Jarpa Seen as Likely Candidate

33480199 Santiago CAUCE in Spanish
22 May 89 pp 12-15

[Interview by Victor Vaccaro with RN member Fernando Maturana; date and place not given]

[Text] Sixty-four year old attorney and former congressman Fernando Maturana will most likely become the chief of the presidential campaign of his old friend Sergio Onofre Jarpa in late June. He has won the post with his experience and because he was the one who first became convinced that without even wearing himself out in the initial competition, the president of National Renewal [RN] would wind up being the main contender to represent the forces that voted yes in the 5 October plebiscite.

What some find so complicated has already been decided in Maturana's mind. The negotiator and member of RN's Political Commission is certain that Jarpa will leave the General Council in mid-June as the presidential candidate who will square off with the opposition candidate this coming 14 December.

Businessmen, who have a good nose for such things, have hastened to acknowledge that Jarpa is the man. At least that is what Manuel Feliu, the number one leader of the Confederation of Production and Commerce, Gustavo Ramdohr, the president of the Association of Exporters of Manufactures, and Daniel Platovsky from the National Chamber of Commerce have stated in recent days.

The haste with which the rightist sectors most closely linked to the regime rejected him is another favorable sign for Jarpa's candidacy. Fernando Maturana does not see this stance as having anything to do with the highest echelons of the government or with a government plan to create problems for any candidate who turns thumbs down on General Pinochet's publicly expressed aspirations to retain power. He does not relate Buchi's decision not to run with this assumption either:

"Buchi's withdrawal is attributable exclusively to the essential conflict that, as he said, was created for him between his lifestyle and the demands of a candidacy. Since we are so close to the election, all political sectors are trying to gain an edge and obscure things that are clear. We in RN were hurt by Buchi's withdrawal because in a malicious diversion it was suggested that he withdrew because RN would have stood in his way."

[CAUCE] That is what the UDI [Independent Democratic Union] and the Free Democratic Center [CDL], among others, are saying....

[Maturana] Which is absolutely false and shows a lack of respect for the withdrawing candidate himself. Everyone knows that RN gave all of the potential candidates, and Mr Buchi in particular, every chance to become an element of unity; we did not put forth our own candidate or show a preference for anyone. He and his team came to see us and told us that they were not going around asking for support from any political party but rather that they wanted to make their views known and to hear ours. We told him what we have always said in public: that it is fundamental that the candidate have an affinity with our program, with our search for the political center, with some profound rectifications in certain areas. It is public knowledge that when Buchi summoned some distinguished RN activists, they lent him their most enthusiastic cooperation, and we considered it perfectly fine for high-level leaders to come out in favor of him, always in keeping with RN's policy, which is to wait for the decision of its General Council.

[CAUCE] Couldn't this attempt to blame RN for Buchi's withdrawal be interpreted as a reason why they are now aiming their guns at Jarpa?

[Maturana] We have been accused by the UDI and the CDL. No one from the government has made a similar charge. If the government had, we would have responded to it. No such information has ever reached RN's Political Commission. On the contrary, the party has been called on to express its opinion on constitutional reforms and other issues.

[CAUCE] Has your conviction that Jarpa is the person best suited to lead the Center-Right been bolstered in recent days?

[Maturana] This is the almost unanimous thinking of National Renewal. The only no vote comes from the president of the party.

[CAUCE] But Jarpa himself has acknowledged that there is a point at which he can no longer keep on refusing....

[Maturana] We in RN are convinced that Jarpa is the man, and this is going to be expressed at the party's General Council. But even more than that, we said that we were not going to rush to proclaim a candidate, that we were very interested in seeing on the playing field itself what the chances of the various candidates were. But we said from the beginning that we were not ruling out the possibility of a party candidate. We were not vetoing independents, but we were not going to allow a party man to be vetoed either. Buchi's withdrawal has ended the stage of potential candidates as far as RN is concerned, and I think that under these circumstances the General Council is going to nominate the president of the party by such a large majority that I hope it forces him to reconsider his refusal.

[CAUCE] You have allowed the potential candidates to demonstrate their capabilities. Do the findings of the polls bolster Jarpa's chances?

[Maturana] The public has a quite clear idea of the chances that the potential candidates do or do not have. And we have not yet made our choice either. I think that the General Council is now going to make that choice, and I base my assertion on the messages that we are getting from all over calling on Jarpa to accept.

[CAUCE] In spite of his bank being taken over by the government and his heart attack, F.J. Errazuriz is up to 13.7 percent in voter support according to the CERC [Center for Contemporary Reality Studies] poll. Could he be the RN candidate?

[Maturana] I think that support for Errazuriz is out of the question. The feeling is that his proposals are a bit like caricatures of rightist proposals because he injects a large dose of demagoguery into them. We even regard this as a dangerous approach, because if such a candidate were to win, it would be absolutely impossible for him to keep his promises. Among other things, a candidate representing himself, his businesses, and his closest family organizations cannot run on the basis of the offers that he is making.

[CAUCE] Do you fear that a Center-Left understanding would result?

[Maturana] No. His way of discussing issues alone is enough for me, and for this reason RN is very unlikely to consider his candidacy. In any event, this is no longer important, because in my judgment the period of potential candidates is over.

[CAUCE] Including UDI's recent attempt to avail itself of the name of Arturo Alessandri to seek unity with you?

[Maturana] We gave Arturo Alessandri the same respectful hearing that we have given everyone. We received him the same way we did Diez and Buchi. It is quite obvious, moreover, that he himself has been very cautious in not even declaring himself a potential candidate.

[CAUCE] Alessandri is at 9.5 and Jarpa at 8.5 in the CERC poll...

[Maturana] That is not surprising, because the press has portrayed Alessandri as someone who wants to be a candidate. Jarpa, in contrast, makes it a point of saying every day that he does not want to run. So the numbers are not comparable.

[CAUCE] Is this the same thing that is happening to Ricardo Lagos with respect to Patricio Aylwin?

[Maturana] Of course. Lagos is obviously hurting his "rating" by saying openly that he is not a candidate in this election.

[CAUCE] Do you have the backing of other parties for Jarpa's candidacy?

[Maturana] As of the General Council, when in my judgment Jarpa is going to be nominated, support ought to be forthcoming from a great many sectors, as well as some misgivings, of course.

[CAUCE] The UDI and National Vanguard have hastened to say that they will not support him....

[Maturana] We have not nominated Jarpa, nor has he agreed to be the candidate. It's surprising that they're getting so much ahead of themselves in opposing him, but it's a good thing because it clarifies matters.

[CAUCE] As things now stand then, will there be at least two rightist candidates?

[Maturana] Before the registration, that could happen. Once RN nominates a candidate and with all of the support that he can be expected to get, rejecting Jarpa could lead to the nomination of another candidate, but I don't think that a second candidate would be at all competitive.

[CAUCE] Do you think that Sergio Diez would be available for this role?

[Maturana] I was thinking about a new candidate, not him. I don't think that Diez will be the UDI candidate.

[CAUCE] Diez now says that he will be in there to the end....

[Maturana] Sergio Diez has all of the qualifications, but the hard fact is that public opinion did not rally around his candidacy. We have information that he had decided to bow out before Buchi withdrew.

[CAUCE] Do you see any possibility that the PN [National Party] and the DR [Radical Democracy] will merge before the elections?

[Maturana] It is impossible by the deadline for registering the slates. It could happen in the long run, with them or with yet others.

[CAUCE] Would they be willing to support Jarpa?

[Maturana] They called for a merger at a time when Jarpa's name was not being mentioned as a candidate. But it is impossible for them not to have foreseen that this option existed as soon as RN mentioned it. The fact that a merger seems like an impossible task between now and the registration of the slates on 11 July does not mean that there has been any change whatsoever in political position on Jarpa's potential candidacy, because we realized 2 weeks ago that there wasn't enough time for the merger. We decided not to waste any more time on the merger and to forge the electoral pact among the three parties. The electoral pact could be complemented by a "promise of contract" to carry out the merger later on. We couldn't have called for support of a candidacy that does not yet exist. The thing is that during all this time many members of the PN and the DR have been bringing up Jarpa's name, and so I think that he has notable support in those groups.

[CAUCE] Did Jarpa propose extending the candidate-registration deadline to Caceres in order to make time for the merger?

[Maturana] No. That had to do exclusively with the scant amount of time to conduct the plebiscite if there is agreement on the constitutional reform. When he saw that the talks were going very well, Jarpa proposed extending the deadlines, which are very tight. It has nothing to do with the merger. In fact, we never dealt with this issue at the meetings of the three parties.

[CAUCE] Where do the government and the opposition still disagree on reforming the constitution?

[Maturana] The area of disagreement is the designation and makeup of Congress. It would seem that their positions on the reformability of the constitution have drawn much closer together. I attribute Jarpa's optimism to the fact that he has spoken both with Aylwin and with the minister, and he feels that they are closer than they both think. Let's hope that he's not mistaken, and Jarpa by and large makes few mistakes, because he has a very good political sense. So I hope that in late June there will be a plebiscite to approve the reform of the constitution.

[CAUCE] Has Jarpa proposed that the number of elected senators be increased?

[Maturana] When the government-opposition dialogue broke down, the reservations that Renewal had expressed in its accord with the Concertacion on the reform were altogether validated. It is this compromise that Jarpa is touching up and proposing as a way of resuming the talks. Among other things he is proposing to let the appointed senators stay in for 4 years and to not replace them in the event they resign or die....

[CAUCE] But who appoints them?

[Maturana] Most constitutional lawyers feel that Pinochet can make those appointments before his term ends. The basic objection is that having popularly elected legislators seems incompatible with having other, appointed lawmakers. This issue, which is the most controversial, seems to be on the road to resolution. We are proposing to increase the number of elected lawmakers to 40, because even if the number of appointed ones were kept the same, they would not constitute the one-third needed to block any reform. If the disagreement can be narrowed to an issue that is not that significant, reaching a compromise before the elections would seem possible.

[CAUCE] Is there also a narrowing of differences on the makeup and functions of the National Security Council?

[Maturana] This issue was not mentioned at the resumption of the dialogue, but it is present. Our view is that since there are the same number of civilian and military members, it makes no difference whether there is one more civilian, because when there is a tie vote in collective bodies, there is no agreement, and the four civilian members would just have to be opposed in order for "representation" to be impossible.

[CAUCE] Do you think that it's possible that Pinochet will be a candidate again, as Alvaro Corbalan, the former official of the CNI [National Information Center] and president of Vanguard, would like?

[Maturana] The ones who are pressing for this are small groups that called themselves representatives of independents for the plebiscite and that in light of the upcoming elections see that they have no chance of popular representation. They are clinging to the possibility that Pinochet could be a candidate so that they can remain "by the warmth of the fireside." Rather than fanatical partisans of Pinochet, these people are fanatics about their own interests and about having the palace nearby. I worked openly for a yes vote in the plebiscite, even though RN cautioned that this was inappropriate. It so happens, though, that to propose a Pinochet candidacy right now is not only legally impossible but also carries this legal and moral overtone: we asked the country to approve Pinochet as the president for the next 8 years, and the country said no. If he were a candidate now, he would be overriding that no. No one would understand how the constitution could allow someone who was told no to run for the same term. It is a fact that the president has said that he is going to govern until the final day of his term and to allow an orderly transition. These people are trying to sway him from a good decision and turn him into one more candidate. This shows a lack of respect for the president and, moreover, it is a huge political mistake.

[CAUCE] What do you think of the fact that 60.6 percent of the respondents in the poll want Pinochet to step down as commander in chief?

[Maturana] Pinochet has a legal right to stay on. The problem is going to depend a great deal on who is president and what the outgoing government's relations are with the incoming one. Given a president with a tough character and a clear-cut idea of his powers, the logical thing would be for each to remain in his role and for them to have to coexist. I think that some people out-Pinochet Pinochet.

[CAUCE] According to the same poll, 77 percent of Chileans think that Pinochet should not continue in politics.

[Maturana] My understanding is that this refers to after March 1990. I have no doubt that constitutionally Pinochet will only be commander in chief, if the army wants him to be. It is understood that he is not going to sit in the Senate and, at the same time, serve as commander in chief. This is not and cannot be a political function.

[CAUCE] So you think that there will be reform and a plebiscite?

[Maturana] Most likely. The Concertacion, plus Renewal and other groups, should provide an overwhelming vote in favor of reform, although the vote could be much, much smaller because it will not be a competitive plebiscite.

[CAUCE] Is this reform one thing and the need for future modifications another?

[Maturana] If one works thoroughly on certain reforms, it is logical to think that once agreement has been reached, someone cannot just come along with a subsequent reform. It is in the future government's interest to have a stable constitution.

[CAUCE] But in the future Congress will your people support the other reforms that you agreed on with the Concertacion?

[Maturana] Of course that still applies. But whether this will be easy or hard to do is going to depend on the agreement that we reach now on the reform, including stricter quorums that were jointly approved.

* UDI, RN Differences Assessed

33480199 Santiago HOY in Spanish 22 May 89 pp 7-8

[Interview by Ana Rodriguez with UDI Vice President Joaquin Lavin; date and place not given]

[Text] Joaquin Lavin has covered his desk with a poster proclaiming him the deputy from Las Condes and reminding him that other battles remain to be fought, because he was roundly defeated in the battle to involve "the man" of the UDI [Independent Democrat Union] in the fight for La Moneda. Lavin, an economist, vice president of the UDI and congressional hopeful, discloses to HOY what is happening in the UDI without Hernan Buchi.

[HOY] Your party has been left without a candidate. What do you plan to do?

[Lavin] Look for another candidate who has qualifications similar to Buchi's: independent, a leader of this generation, a young, modern individual who can stand behind the country's economic and social transformations.

[HOY] Does Sergio Diez possess such characteristics?

[Lavin] ...Everyone is different.

[HOY] And does Arturo Alessandri Besa?

[Lavin] Of the current potential candidates, Sergio Diez and Arturo Alessandri are the ones closest to the UDI. And we're in contact with them. I myself am also thinking about people like Hermogenes Perez de Arce, Jose Pinera, and Miguel Angel Poduje.

[HOY] Buchi could have forged unity on the right. Without him, how will the UDI approach the congressional elections?

[Lavin] For now we are going to insist on a congressional pact. This is fundamental. To run slates alongside other Center-Right parties would mean giving the opposition a very large bloc in Congress. It behooves both the UDI and Renewal to enter into a pact, because we both know that we will lose if we run separate slates.

[HOY] And if Renewal knows this, why does it want to run on slates separate from the UDI?

[Lavin] These are just negotiating strategies, pretending to think that the UDI is not going to run candidates. But if an attempt is made to exclude us from the electoral pact, we're going to run candidates all the same. It would be regrettable if our votes were not combined, though.

[HOY] But Renewal asserts that it can go it alone and that its own votes suffice for its objectives.

[Lavin] I think they're grossly mistaken.

[HOY] What basis do you have to assert that?

[Lavin] My personal experience. I think that postures of sovereignty could cost us very dearly at the moment. We need a large group of congressmen to defend the accomplishments of these 16 years. If we organize well, we can elect one senator and one deputy from each region and each district.

[HOY] Don't you think that Renewal and the other Center-Right parties are strong enough to run alone?

[Lavin] No, they aren't.

[HOY] In any event, it is symptomatic that the UDI is the one that is hanging on the decision of the RN-PN-DR [National Renewal-National Party-Radical Democracy] triangle to bring it into the accord and that it is pressing for this. This is a sign of your weakness.

[Lavin] No, I think that these are simply negotiating strategies that they are pursuing. If they want to see which party is stronger, well, let's see. There are technical means of determining this, and we are prepared to subject ourselves to them. But let's gauge our strength on top of the safety net of a congressional pact. If the UDI is stronger in a given district, its candidate is going to win; if Renewal wins in another, then its candidate will emerge. But at least let's be sure that one of the two is going to get elected.

[HOY] In the plebiscite the UDI accounted for 13 percent of the vote. If it runs alone on a slate, it is not going to get the 33.4 percent required to make it into Congress.

[Lavin] I'm sure that there are many districts in which the UDI can get 33 percent of the vote...And Las Condes is one of them.

[HOY] And in how many other districts?

[Lavin] I don't know. But, I insist, to run separate slates is a bad idea for Renewal and for the UDI. If they force us to, however, we're going to have to do that.

[HOY] Is it worse for you or for them?

[Lavin] That depends on the district.

[HOY] And overall, considering all of the districts, is it worse for the UDI?

[Lavin] I don't know. And I don't think that's the point. This election is too serious a matter to think that what is being decided here is which party is bigger, Renewal or the UDI. That's silly, petty. To not go beyond that is to toy with the country's destiny.

[HOY] Renewal argues that running in a pact with you would decrease, not add to its vote total, because the UDI's extreme positions scare away the Center-Right electorate that voted no and that it seeks to attract.

[Lavin] They're wrong. Attracting center-rightists who voted no really depends on having a presidential candidate like Buchi, for example. I don't think that the Center-Right no voters are going to vote for Jarpa now.

[HOY] According to Renewal, its profound differences with the UDI prevent it from working together with you. It indicates, for example, that your draft reform of the constitution is more restrictive than that of Minister Caceres himself.

[Lavin] There is common ground between our draft and the one from Renewal-Concertacion. But there are also differences. The main one is our conviction that if the constitution is reformed, it has to be left very securely fastened for the future, more rigid so that it lends the country stability. Ricardo Lagos wants to be given the keys to the house. And it is absurd to discuss changing some furniture and then to leave them the keys so that afterwards they can change everything all over again. We can discuss the changes, but I won't hand them the keys.

[HOY] But the point is to hand over the keys to the house not to the politicians but to the citizenry so that they can decide in a sovereign manner whether or not they want to amend the constitution.

[Lavin] There are things in the constitution that are so important that changing them should require much more than a simple majority.

[HOY] You have criticized Renewal because it is distancing itself from the government to suit its electoral interests. But the UDI has also sought to portray itself as independent at certain times.

[Lavin] The difference between Renewal and the UDI is that besides being supporters of the government, we feel in profound common cause with those responsible for these accomplishments: President Pinochet and the Armed Forces. To distance oneself from them for the sake of political "marketing" is not the appropriate strategy. Unlike some, we voted yes with our hearts.

[HOY] Would you like Pinochet to run for president?

[Lavin] He can't.

[HOY] Well, would you like there to be a mechanism that would allow him to?

[Lavin] I would like him to play the role that the constitution has given him: to remain as commander in chief of the army.

[HOY] The latest CERC [Center for Contemporary Reality Studies] poll showed Aylwin with 49 percent, Buchi with 29 percent, Sergio Diez with 2 percent, and Arturo Alessandri with 9 percent. In light of this, do you give the forces of the right and the forces that back the government any chance of winning the next election?

[Lavin] I don't know how that poll was conducted. In any event, I know of other polls that put Buchi only two or three points away from Aylwin.

[HOY] But Buchi is no longer around....

[Lavin] True, but if we can find someone who has qualifications like his, we have chances of winning.

[HOY] And will you be able to find such a person in such a short period of time?

[Lavin] Yes. Moreover, I think that the battles always have to be fought. Ideas must be defended always. It is better to lose an election defending one's ideas than giving up on them during the campaign.

[HOY] If Jarpa were the best person to confront the opposition, would you vote for him?

[Lavin] It is beyond doubt that Jarpa has no support among UDI affiliates. But I think that we must not veto any potential candidate. I have voted for only one person in congressional elections. In 1973 I voted for Sergio Onofre Jarpa. Now then, if the election is between Jarpa and Aylwin, for example, I'm going to vote for Jarpa...But I hope that better candidates than Jarpa emerge.

[HOY] What do you think of Jarpa's proposal that the Right and the Center-Right run several candidates in the first round, including one from National Renewal, and then whoever wins a plurality among them would go into the second round supported by all of the votes of the other candidates?

[Lavin] I do not endorse that idea. This strategy is quite risky because what happens if the opposition wins an absolute majority in the first round? It is much safer to support a single person who represents all of us and unites our forces. Someone like Buchi, for example, would get more votes in all. I don't understand why Jarpa is proposing this idea of running two or more candidates, including one from Renewal, against the opposition...Although I have my suspicions about why he has.

[HOY] What do you suspect?

[Lavin] I'm not going to say....

Defense Minister Says Use of Force Legitimate

PY2806192889 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 89

[Relay from Government House by Eliana Henriquez]

[Excerpts] Defense Minister Patricio Carvajal has stated that the Armed Forces will only act if the Constitution is violated and after having taken the pertinent judicial measures. He added that the use of force is perfectly legitimate, but that force would be used only after exhausting all judicial measures. He then said that if a president who had violated the Constitution refused to leave La Moneda Palace, he would obviously have to be pushed out.

Minister Carvajal made this statement at the end of a coordination meeting with public and members of the security forces. He also said that the statement by Patricio Aylwin, spokesman of the Coalition of Parties for Democracy, regarding the Armed Forces, and especially about the Army commander in chief, caused a sense of hopelessness and disillusion within the Army. He added that all the members of the Armed Forces repect, admire, and wish the best for Pinochet, because they consider him the best president of this century. [passage omitted]

Minister Carvajal also confirmed that a new arsenal has been found in northern Chile, but he said that he does not know whether it is part of the arsenal found in 1986.

Official Notes Increase of Terrorist Activities

PY2906032489 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 89

[Excerpt] [passage omitted] Oscar Vargas, minister secretary general of government, pointed out that subversive activities in Chile have increased. He said that there is a split in the Manuel Rodriguez Patriotic Front [FPMR] because an FPMR faction has disobeyed Communist Party orders to return to their rank-and-file.

Vargas added that attacks on high-power pylons and street lights, as well as a sort of selective terrorism against Armed Forces members, are the main targets of the FPMR terrorist group.

Vargas also said that some human right publications provide information about current and former intelligence community members. He added that this type of information helps terrorists identify future victims of this selective terrorism.

Left Wing Discourages Plebiscite Participation

MIR Calls for Annulment

PY2806161789 Santiago FORTIN MAPOCHO in Spanish 19 Jun 89 p 2

[Text] In a communique released by Jecar Neghme, Martin Hernandez, and Jose Miguel Moya, members of its political committee, the MIR [Movement of the Revolutionary Left] has made a call to annul the vote at the next plebiscite on constitutional amendments.

The communique states that the amendments "do not meet the democratic aspirations of the overwhelming majority of the people, but support an agreement among representatives of the military dictatorship, [Interior Minister] Caceres, [presidential candidate of the right], Sergio Onofre Jarpa, and of a sector of the opposition led by Patricio Aylwin, president of the PDC [Christian Democratic Party]."

According to the MIR, notwithstanding the amendments that will be submitted to a plebiscite, "the left will remain proscribed, Article 8 will remain as it is, and no solution is foreseen for the demand for human rights."

These MIR representatives announced, however, that they will present candidates for deputies at the next elections.

Teitelboim Scores Plebiscite

PY2806185789 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 89

[Text] Volodia Teitelboim, general secretary of the Communist Party [PCCh], has stated in Rome that the 30 July plebiscite in Chile will not really modify the Constitution. During a news conference held a few hours ago, Teitelboim said that nothing will change.

Teitelboim explained that the reason for his trip to Italy was to brief Italian politicians about the resolutions of the 15th Congress of the PCCh, held recently.

Teitelboim explained that the PCCh was not planning to participate in the next government. He added that the important thing for the communists is not to participate, but that freedom be restored in Chile. The communist leader added: we want a government that can exercise its full authority and not one that is subordinated to the military.

The politician was also asked about the PCCh's relationship with the Manuel Rodriguez Patriotic Front [FPMR] to which he answered that the FPMR believes that the solution should be of a military nature while we believe that it should be of a political nature.

Teitelboim added that the PCCh believes that the Chilean opposition cannot have two presidential candidates and that they will only support a single candidate.

PCCh Confirms No-Vote

PY2806220389 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 89

[Text] The Chilean Communist Party [PCCh] has called on the people to vote against the constitutional reforms in the upcoming 30 July plebiscite.

This announcement was made by PCCh leader Jose Cademartori who said that the reforms to the 1980 Constitution proposed by the government are not enough and in many cases negative.

[Begin Cademartori recording] The communists are not against reforming the Constitution but the proposed reforms are not basic reforms. We do not support them and we reiterate our strong rejection to the 1980 Pinochet Constitution. In the face of the upcoming plebiscite a large number of Chileans would like to reiterate their repudiation of the 1980 Constitution and express their profound dissatisfaction over the proposed reforms. Therefore, we call on Chileans to say no to Pinochet and his institutionality, to repudiate the fascist constitution by voting against the reforms. We also value other forms of repudiation such as abstention and blank votes. [end recording]

Cademartori also said that the proposed reforms do not change the antidemocratic nature of the 1980 Constitution. He pointed out as an example that Article 8 is broken up but at the same time the ideological proscription is added to Article 19.

Cademartori added that the government reforms put emphasis on the military tutelage by converting into law basic regulations on appointments, promotions and other military activities.

[Begin Cademartori recording] The reforms are negative for the democratic transition. The new quorum demanded of Congress grants the power of veto on future reforms proposed by the minority. It has been said that the introduction of international treaties on human rights in Article 5 is a move ahead. This is true but the addition to Article 9 is a serious violation of human rights. This article increases the punishments on the opposition which is labeled terrorist, and this is a situation which the current regime has abused. Hundreds of political prisoners would be deprived of their civic rights. The nullity of the Writ of Amparo under certain exceptional measures is also aberrant. [end recording]

Jose Cademartori concluded by saying: We call for the development of a great movement in support of real and basic institutional reforms aimed at creating a democratic constitution for a democratic Chile.

Interview With Senior Chilean CP Official

AU2906104589 Prague RUDE PRAVO in Czech 26 Jun 89 p 6

[Interview with Aldo Romero, "leading representative" of the Chilean Communist Party, by Vera Posledni in the "Our Guest" column—date and place not given]

[Text] Aldo Romero, one of the leading representatives of the Chilean Communist Party [PCCh] was in the CSSR for a short visit. We asked him to explain some of the changes which have recently taken place in this South American country. In light of the fact that the PCCh is to date operating underground, we respect the wish of our Chilean guest by not publishing his photograph.

[Posledni] The PCCh congress took place in Santiago in May. In RUDE PRAVO we reported that it was held in conditions in which the party is completely outlawed. Are there any chances of a transition so that the party can operate legally in the future?

[Romero] Our party has already entered public life despite the fact that the regime continues to persecute it. It is not permitted to make use of all available opportunities to express itself in public, it may not have premises where it can operate that are accessible to the public, it is forced to work semi-legally or completely underground, which is the case with many of its leading representatives. However, by its activity, and thanks to the support which it has among the people, it has managed to open up a path and carry out events publicly, including those which took place after the congress in the football stadium in Santiago. People who sympathize with the party came together here, friends and their families. Comrade Volodya Teitelboim, the new general secretary of the party, made a speech at this public gathering in which he reported on the conclusions of the congress. This indicates the courage of the party in confronting persecution, in asserting its legality, and its will to be among the people and with them.

[Posledni] Pinochet recently announced new measures which could mean a certain relaxation. What do you think about this?

[Romero] There are a number of these so-called draft reforms but only a few of them are significant. Our party considers them to be superficial and measures which do not do away with the institutions of the fascist regime. Thus, for example, the number of senators in Parliament will increase from 26 to 38. However, this is a small difference when one considers the possibility for the opposition to participate in the Senate, because the present regime arranges this. Up to now nine senators have been appointed directly by Pinochet and this is continuing. Pinochet himself and other commanders from the armed forces and the chief of police will be senators for life. Another reform concerns an article of the constitution which places outside the law communists and all those who are working to end the fascist regime. On the basis of this article, Clodomiro Almeyda, the former vice-president and foreign minister under Allende was imprisoned and held in custody for a long time. The reform now proposes that this article be annulled but in its place another article of the constitution is to be changed to enable the continuation of the persecution of leftist parties. According to other proposals, the president should be in office for 4 years instead of the current 8 years. He also should not have the authority to dissolve parliament, as has been the case until now. But this does not interest the regime too much because it knows that it will be replaced.

[Posledni] Could another military coup occur in Chile just like the one 16 years ago against Allende's government?

[Romero] This threat exists. Pinochet himself and the deputy supreme commander of the army, General Zincke, recently declared that 11 September 1973 could be repeated and troops will be used against the people should the left attempt further changes. Anyone could stand at the head of the coup with the aid of foreign imperialism. And this could happen before the elections, during them, or after them if the army elite feels that its privileges are threatened and decides to turn development back. The next president will be in a difficult situation. If he should want to step outside the framework of the present regime he will have to part ways with its institutions and that will mean conflicts for him. Only the people can support him.

New SP Secretary General Assumes Post

PY2806030089 Santiago EL MERCURIO in Spanish 17 Jun 89 p C-2

[Summary] Jorge Arrate, an economist and lawyer, 47, yesterday assumed his position as new secretary general of the Socialist Party, PS, the former Nunez-led faction. He was chosen for that post at elections held on 4 June, when sociologist Luis Alvarado was elected deputy secretary general of the party.

Colombia

M-19 Spokesman Denies Cuban Colonel's Charges

PA3006022989 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 30 Jun 89

[Report on news conference with Ramiro Lucio, spokesman for the 19 April Movement (M-19) in peace talks with the Colombian Government—date and place not given]

[Excerpts] A hearing into the drug-trafficking activities of several top Cuban military leaders has even implicated the M-19 [19 April Movement]. During the tribunal hearings last night, Colonel Antonio de la Guardia Font said that Ramiro Lucio—the current M-19 spokesman for the peace talks with the government—was his contact through which to establish links with the Medellin Cartel. As a result of Col de la Guardia's statements against him, Ramiro Lucio resigned his post as M-19 spokesman and granted a news conference in which he said that he will clear himself of the very serious charges leveled against him by the Cuban colonel.

Col de la Guardia—who presumably assisted the Medellin Cartel in bringing cocaine into the United States from Cuba—implicated M-19 political spokesman Ramiro Lucio last night in Havana before an Honor Tribunal, which questioned De la Guardia about his links to drug trafficker Pablo Escobar. [passage omitted]

[Begin Lucio recording] I believe that this man is experiencing a crisis in his life, and I have no idea what he will say next. I believe that Col de la Guardia, whom I know, will be executed if the charges against him are confirmed. I think that what is important and what the people want to know is what my relationship with Col de la Guardia was. Let me explain. As a result of the blockade, the Cuban Government organized a number of corporations and enterprises operating under capitalist or private enterprise principles. Those corporations are tasked with making contacts with businesses to handle international trade and to establish relations with businesses willing to sell or buy in Cuba.

I met Antonio de la Guardia as a result of my interest in forming business deals with Cuba. Until about 8 days ago, he was one of the most influential and important foreign trade officials. It was very difficult to strike any business deals in Cuba without the help of Interior Ministry officials such as De la Guardia.

I negotiate paint sales with Cuba; there is currently a very interesting deal with the Agriculture and Sugar Industry Ministries. I offer them paint in exchange for rum, alcohol, tobacco, sugar, and other products. I believe that Cuba provides a good market. [end recording]

M-19 Leader Pizarro Reacts to Arrest Warrant

PA2906211389 Paris AFP in Spanish 2311 GMT 28 Jun 89

[Text] Bogota, 28 Jun (AFP)—Colombian guerrilla Carlos Pizarro, leader of the leftist M-19 [19 April Movement], today admitted that if an attempt is made to serve the arrest warrant issued against him by a court, the peace process under negotiation with President Barco's government would be greatly endangered.

Pizarro, who is at "Villa Paz," a camp in the Andean mountains in Cauca Department, 700 km from Bogota, commented on a court's decision to order his arrest, charging him with being the mastermind of the kidnapping of former conservative (opposition) Senator Alvaro Gomez Hurtado last year.

"If the arrest warrant is served or if there is an attempt to serve it, the peace process will be very much at risk," Pizarro said today in a telephone conversation with Bogota's Radio Caracol.

"I am at Villa Paz, not at my own request but at the request of the government, which believes that in order to have a genuine peace process, I should be with the M-19 command in a location where the talks can more easily be established and where they can be conducted normally," Pizarro said.

The guerrilla camp is protected by Colombian Army soldiers, who maintain a 24-hour guard around it. Pizarro said that he is in "Villa Paz" to help the peace process. The guerrilla leader also said that the Barco administration should decide on the legality of the arrest warrant issued by the court, adding that there are ways to overcome this problem.

"I think we must play fair and follow the rules that were established. We believe that the government's position to date to respect court decisions has been prudent," he said. He added that Colombia has left behind the era of war and has entered the era of understanding. "This is the time for reaching agreements," he explained.

Carlos Pizarro criticized a violent offensive by the pro-Castro Army of National Liberation (ELN), which has blown up sections of the country's main oil pipelines 23 times thus far this year. "I do not understand why the ELN believes that it is better to wage an all-out war than

to participate in an all-out peace effort," he said, adding that he believes that final victory can be obtained through means other than violence.

Bishops: Government, Rebels Should Hold Dialogue

PA3006020489 Buenos Aires REUTER in Spanish 0050 GMT 30 Jun 89

[Text] Bogota, 29 Jun (REUTER)—The Colombian Catholic Church announced today that the government is responsible for contacting Colombian paramilitary groups; however, the church offered its mediation.

The 76 bishops of the Colombian Episcopal Conference concluded their 51st assembly by condemning the violence committed by common criminals, drug traffickers, guerrillas, and paramilitary groups that operate outside the law.

"If the government finds (the proposal) feasible, the church is gladly willing to mediate, because we are very much interested in anything that will contribute to peace," Archbishop Jose Pimiento said during a news conference.

Msgr Pimiento added that the government is ultimately responsible for maintaining law and order and that before church mediation is possible, the government should seek a dialogue with the paramilitary groups and establish the necessary conditions for the dialogue to take place. He added, however, that the church will not promote any initiative until either of the parties requests its assistance.

The government has blamed the self-defense or paramilitary groups for many of the 72 murders that took place last year. Official investigations have linked these groups to drug traffickers.

In a four-page document, the Colombian bishops said that the church will continue to observe the peace process undertaken by the government and the 19 April Movement. The bishops also condemned abortions, the guerrilla attacks against the country's industries, and the lack of adequate government attention to the agricultural sector.

Government: Expected 1989 GNP Growth 4 Percent

PA2906221589 Bogota Emisoras Caracol Network in Spanish 1215 GMT 29 Jun 89

[Text] Bogota— According to a new government estimate, the Colombian economy this year will grow by only 4 percent. Initially, the government had estimated a 4.5 percent growth in its 1989 GNP, which is the country's total production of goods and services.

In a CONPES [National Council for Economic and Social Policy] discussion document, which reveals public investment goals for 1990, the government admitted the Colombian economy has deteriorated systematically in recent times.

The economy grew 5.8 percent in 1986, 5.3 percent in 1987, and dropped to 3.7 percent in 1988. According to estimates by the Finance Ministry and the National Planning Office, the destruction of pipelines in 1988 affected the country's economic growth by nearly 1 full point; that is, by about $400 million.

Terrorist attacks against the country's petroleum infrastructure and a drop in international coffee prices will affect the country's national economy this year.

Finance Minister Luis Fernando Alarcon said the country's growth possibilities are increasingly limited. He added that the actions of violent groups are heavily restricting economic policies.

UP Member Gunned Down in Medellin 28 Jun

PA2906010889 Bogota Inravision Television Cadena 1 in Spanish 0028 GMT 29 Jun 89

[Excerpt] Luis Alejandro Cardenas, a member of the Patriotic Union [UP] National Directorate, was murdered today. Cardenas was murdered when he was on his way to a meeting with a foreign IDB [Inter-American Development Bank] representative to negotiate an IDB loan to be used for a Medellin housing project. Cardenas had also recently had lunch with Medellin Acting Mayor Federico Velasquez.

At 1330, after having lunch with Velasquez at the Cattle Fair, Alejandro Cardenas was on his way to meet with the IDB representative. In the short stretch between the Cattle Fair and the [word indistinct] company, where Cardenas had planned to exchange cars, he was hit by several shots fired from a car.

Cardenas was the only UP member working as an official in the mayor's office. Cardenas had assumed the post of Housing Cooperative, CORPVIVE, manager in June 1988. [passage omitted]

Paraguay

Foreign Minister on President's Trip to Argentina

PY2906200989 Asuncion HOY in Spanish 29 Jun 89 p 6

[Excerpts] While in Buenos Aires, Paraguayan President Andres Rodriguez will hold talks with his Latin American counterparts, including Fidel Castro of Cuba and Daniel Ortega of Nicaragua, who will also attend Saul Menem's inauguration as president of Argentina. Rodriguez will travel to Argentina on 7 July and will return on 9 July. He will attend a luncheon with several Latin

American presidents. Rodriguez will arrive at the Aeroparque Metropolitan Airport by helicopter and will be welcomed by Argentine President Raul Alfonsin. [passage omitted]

One remarkable point about General Rodriguez' visit to Buenos Aires will be the presence there of Cuban President Fidel Castro and Nicaraguan President Daniel Ortega, in addition to the presidents of Peru, Colombia, Brazil, Uruguay and other countries.

Asked about President Rodriguez' attitude toward the Cuban and Nicaraguan chief executives, considering that Paraguay has no diplomatic relations with those two countries, the Paraguayan foreign minister said: "Courtesy is not a sign of weakness," adding that the Paraguayan president will greet and talk to all Latin American counterparts attending Saul Menem's inauguration. [passage omitted]

Asked about his activities in Argentina, Foreign Minister Luis Maria Argana, who will accompany the Paraguayan chief executive, answered that he is especially interested in holding talks with his new Argentine counterpart on several important bilateral issues that have cropped up lately. [passage omitted]

Barcelona Consul Receives Death Threat

PY2906230689 Asuncion ABC COLOR in Spanish 29 Jun 89 p 8

[By ABC correspondent Roque Gonzalez Vera]

[Excerpt] Geneva—Lilia Romero Pereira, the Paraguayan consul in Barcelona, Spain, has received a death threat after reporting to the Paraguayan Foreign Ministry that Iranian and Libyan citizens were carrying Paraguayan passports. Suspicion is strong that the threats were made by groups involved in international arms trafficking and were made to force the diplomat to keep silent, thereby keeping INTERPOL from investigating and interfering with them.

The Paraguayan consul in Barcelona was provided with bodyguards a couple of weeks ago, and the Spanish police have been informed of threatening phone calls she has received. Lilia Romero Pereira has restricted her movements as much as possible on recommendations from the police and her bodyguards.

The Paraguayan Foreign Ministry official has already sent to Asuncion all the details on the possession of Paraguayan passports by citizens of countries whose governments actively support international terrorism, as is the case with both Libya and Iran.

In a phone interview with Mrs Romero Pereira, she confirmed that some Libyan and Iranian citizens are carrying Paraguayan passports: "We have fully confirmed that citizens of those countries are carrying Paraguayan documents that are being frequently used for their travels."

She said she was lucky to uncover the situation and did so "when applications for passport renewals came in and we found that some of them bore the names of Libyan and Iranian citizens. Apparently, they are not forged documents, nor have they been obtained on the 'black market.' Had that been the case, they would not have come up for renewal."

As for the death threats, she said that since she has received them by telephone with the demand that the situation not be publicized, she has security guards by her side 24 hours a day. Both the consul and the Spanish police suspect the death threats have been made by international arms traffickers. "Of course I am scared. We are taking the threats very seriously. There are many interests at stake in this case, and that is why I agreed to the bodyguards," Mrs Romero Pereira said.

Asked about the identity of the passport holders, Mrs Romero Pereira said that she could not give any details because she has sent all pertinent information to Asuncion so that "the Foreign Ministry can make the decisions it deems appropriate. We have photocopies and pertinent information, but it will be up to the Paraguayan Government to decide what to do."

She added: "This is a very delicate situation since my very life is at stake. Many irregularities have been discovered and they will have to be investigated. I cannot give more details so as not to hinder investigations."

The sale and trafficking of Paraguayan passports is one of the charges against Gustavo Gramont Berres, former Paraguayan consul in Switzerland. It is suspected that Gramont's main clients were individuals with police records, who, for that reason, needed new documents.

The passports were issued in Geneva by the consulate there, under the direction of this Uruguayan [as published] citizen, who is a personal friend of former Air Force Colonel Gustavo Stroessner.

Following the February coup, Gramont Berres was dismissed and the Geneva Consulate was placed under the jurisdiction of the Barcelona Consulate. When the applications for passport renewals were filed in Barcelona, the irregularities were detected and Asuncion was informed. Had Gramont Berres continued as Paraguayan consul, the office in Geneva would have renewed the Libyan and Iranian passports and the abnormality would not have been discovered for some time.

The Barcelona consul referred to the Gramont Berres' "legacy," since she assumed responsibility over the Geneva Consulate, she said: "We have some confusing cases on hand, and I am not sure how they were handled. We now have to resolve them. The worst problem is with the passports."

Paraguayan officials in Asuncion might be implicated in the granting of passports to individuals whose records are not very clear. Gramont Berres could not have acted alone. He needed accomplices in Paraguay to obtain authorization to grant those passports and especially to legalize them. He may have high-level contacts at the Foreign Ministry, because Barcelona Consul Mrs Romero Pereira confirmed that the passports are technically legal.

Not only should the possible role Gramont Berres played be investigated, so should the possible complicity of Paraguayan officials in Asuncion. This finding might be the tip of the iceberg. It should be mentioned that Gustavo Gramont Berres and Francisco Barreiro Maffiodo (who used to sign his column in the newspaper PATRIA as Poncho Pyta) are close relatives. [passage omitted]

Union Leader Held Incommunicado Since 8 Jun
PY2906200789 Asuncion HOY in Spanish
29 Jun 89 p 16

[Excerpts] Efigenio Lisboa, from Ciudad del Este [formerly called President Stroessner City], has been held incommunicado at Presidential Guard headquarters since 8 June. His sister Olga Lisboa said: "We learned that he had been detained on 15 June. So far, however, we do not know why. Some say he staged a demonstration in Ciudad del Este, and that he made a speech offending the military. It is said that those who detained him have a recording containing the offensive speech."

"He has always defended the landless peasants and now several organizations, such as the Workers Interunion Movement], the Committee of Churches, and several people from Alto Parana Department are helping him. The lawyer working on his case is Dr Alegre." [passage omitted]

Dr Alegre reported that he has filed a writ of habeas corpus in favor of Lisboa. No action has been taken so far, however, because Lisboa is being held incommunicado on orders of Armed Forces Chief of Staff Eumelio Bernal.

President Admits Need for Agrarian Reform
PY2806155289 Asuncion ULTIMA HORA in Spanish
27 Jun 89 p 16

[Excerpts] Through the President of the Republic, General Andres Rodriguez, the government has recognized the social problem created by the lack of farm land for peasants, and the need to begin immediately an overall agrarian reform. President Rodriguez yesterday installed the National Coordination Council for Rural Development [Consejo Nacional de Coordination Para el Desarrollo Rural], which will be charged with implementing the government plan for land distribution.

Following the installation ceremony, President Rodriguez stated: "The creation of the National Coordination Council for Rural Development is vitally important for the consolidation of the government's economic and social development projects, which are designed to create a modern and democratic country." The ceremony was held at Government Palace. [passage omitted]

Rodriguez stated that the council's mission will be to pass from theory to action, and that it will have to begin immediately to treat, case by case, the most urgent problems.

At the first meeting of the council, the president also stated that he will call all active forces of the nation—politicians, businessmen, religious organizations, and peasants associations—from each department or district, "and I will give orders to the Armed Forces to assist, with their available technical means, in making the settlements a reality," Rodriguez stated.

"Moreover, the national registration of peasants who do not yet have a piece of land, and of those who do own land but without the appropriate title, will be intensified. I am stressing the need to continue the thorough study of the new agrarian statute, which, I think, is moving on the right track," he stated. [passage omitted]

Foreign Debt Negotiating Committee Created
PY2906234589 Asuncion ULTIMA HORA in Spanish
28 Jun 89 p 17

[Excerpt] The government has created the National Commission on Foreign Financing [Comision Nacional de Financiamiento Externo], which will be in charge of analyzing the present situation of our public foreign debt, our financing priorities, and the possibility of new loans.

The commission will also draft a strategy for dealing with the foreign debt, and a plan to make our payment schedule compatible with our payment capacity and our national social and economic development programs.

Government decree no. 1208 created the commission comprising the foreign and finance ministers, the technical secretary of the Technical Planning Secretariat, and the Central Bank president.

The commission will be headed by the finance minister, who will designate the necessary support committees from within the Finance Ministry and the Central Bank.

Decree no. 1208 states that the commission must approve and recommend the priority and feasibility of public loans to the government prior to their contracting by public organizations. The commission will also study the structure of our public debt and will determine its compatibility with our payment capacity.

The decree further establishes that the commission will negotiate a decrease in our annual financial service payment and will study ways for public organizations to pay the national share of loans made in local currency. [passage omitted]

INDI Council Members, Alternates Designated
PY2806234989 Asuncion ULTIMA HORA in Spanish 28 Jun 89 p 21

[Text] In response to a request submitted by the Indian Affairs Institute (INDI), the executive branch has designated full and alternate members. The new INDI administrative council members are:

Ricardo Brugada, representing the Interior Ministry as full member, and Raul Battilana Nigra, as an alternate member; Castor Samaniego, representing the Agriculture and Livestock Ministry; Carlos Albino Paredes, representing the Justice and Labor Ministry as a full member, and Pablo Alonso Gonzalez Pettit as alternate member.

Paulino Villagra, representing the Technical Planning Secretariat as full member, and Maura Candia de Martinez [not further identified]; Pablo Barboza and Andres Schmehei, representing the Ethnic Group Association (API) as full members, and Hipolito Acevei and Cecilio Maciel as alternate members.

Other members are: Augusto Fogel, representing the Paraguayan Indian Association (AIP) as full member, and Miguel Chase Sardi as an alternate member; Serafina de Alvarez, representing the Paraguayan Episcopal Conference (CEP) as a full member, and Juan Carlos Ramirez as an alternate member; Father Tito Lasalle, representing non-catholic churches; and Helmut Giesbrecht, representing the Association of Indian Mennonite Cooperation Service [Asociacion de Servicios de Cooperacion Indigena menonita] as a full member, and Wilma Stahl as an alternate member.

Journalists Trade Union Elects Executive Board
PY2806191889 Asuncion ULTIMA HORA in Spanish 27 Jun 89 p 12

[Summary] In a meeting held on 26 June, the Paraguayan Journalists Trade Union [Sindicato de Periodistas del Paraguay] (SPP) elected its new executive board. The journalists elected for this board were: Jose Costa (ULTIMA HORA), secretary general for the 1989-1991 period; Teresa Godoy, (Radio Caritas), deputy secretary general; Oscar Acosta (Radio Caritas and Channel 13), acts and relations secretary; Augusto Barreto (LA OPINION), acts and relations deputy secretary; Antonio Pecci (ULTIMA HORA), organizational secretary; Dario Serafini (ULTIMA HORA), organizational deputy secretary; Susy Delgado (LA OPINION), finances secretary; Oscar Ayala (ABC COLOR), finances deputy secretary; Cesar Ibarra (DIARIO NOTICIAS) and Maluli Vera (HOY), members; Yiyo Riveros (Radio Primero de Marzo) and Modesto Acosta (Channel 9), trustees.

32 Radio Stations Authorized To Broadcast
PY2906234689 Asuncion ULTIMA HORA in Spanish 28 Jun 89 p 16

[Text] The government, through the Public Works and Communications Ministry, has authorized the renewal of permits and new concessions for the use of 32 radio stations on AM and FM frequencies. An outstanding item of the resolution is the permit renewal to Chaco Boreal SRL for the use of frequency 1330 kHz. This station will return to the air after 5 years of silence.

According to Article 3 of Decree 1290, which authorizes the new concession, the permits are temporary and the licenses must be renewed yearly. The permits will be renewed if the operation and organization of the radio stations are in accordance with the prevailing technical and legal regulations at the time the permit is renewed.

The decree also establishes that the new radio stations will have 90 days to fulfill all National Telecommunication Administration [ANTELCO] technical operational requirements before entering into operation. All stations are required to ask ANTELCO for a technical inspection before beginning broadcasting.

Some of the radio concessions in AM include the one granted to Jorge Soto Estigarribia, for Radio Coronel Oviedo on 1180 kHz; and the one granted to Jose Antonio Contrera, for Radio La Voz del Este on 1310 kHz. The new concessions in FM includes one concession to ANTELCO, for Radio Encarnacion on 95.7 kHz; the concession to S.A.C.I. Caracol, for Radio Mariscal Estigarribia on 90.9 kHz; and the concession to Orlando E. Nunez Leon, for Radio Humaita on 106.7 kHz.

The licenses of the following firms were renewed: Luis Tomas C. Rolon Pena, for Radio La Voz del Amambay on 570 kHz; Demetrio Sanchez Candia, for Radio Nasaindy on 620 kHz; Francisca L. Vda de Correa, for Radio Caaguazu on 640 kHz; Itapiru S.R.L., for Radio Itapiru on 660 kHz.

The following stations also had their licenses renewed: Esteban Caceres Almada, for Radio Guarani on 730 kHz; Gregorio R. Morales, for Radio La Voz de la Cordillera on 860 kHz; Carlos Ruben Gutierrez, for Radio 3 de Febrero on 890 kHz; Santiago Leguizamon, for Radio Mburucuya on 980 kHz; Carmelo Ruggilo Ochene, for Radio Ypoa on 1000 kHz.

Other renewals were granted to the following firms: Juan Isidro Gamarra Lugo, for Radio Boqueron on 1060 kHz; Juan Carlos Bernabe Lopez, for Radio Nanawa on 1080 kHz; Victor Ramon Castro Monte, for Radio Nu Vera on 1100 kHz; Robustiano Cabrera, for Radio Centenario on 1230 kHz; Chaco Boreal S.R.L., for Radio Chaco Boreal on 1330 kHz; Teodocio Fermin Espinola, for Radio Arasa Poty on 1630 kHz; Guyra Campana SRL, for Radio Guyra Campana on 1420 kHz; Sergio Enrique Dacak, for Radio Concepcion on 1380 kHz; National Cement Industry, for Radio Vallemi on 1450 kHz; and Maximo Silvero Venialgo, for Radio America on 1480 kHz.

Peru

Minister Says Armed Forces Respect Constitution

PY2806170189 Lima LA REPUBLICA in Spanish 24 Jun 89 p 3

[Excerpt] Yesterday, Defense Minister Julio Velasquez asserted that the Armed Forces "will respect the people's will in the upcoming presidential elections."

He added that the Armed Forces, "which uphold the constitutional system, do not discriminate against names or political parties."

Minister Velasquez asserted that in his capacity as "official representative of the Peruvian Armed Forces, I want to reiterate that we respect the Constitution and the law."

Referring to political issues, the minister answered Mario Vargas Llosa's warning in the letter announcing his resignation as presidential candidate for the FREDEMO [Democratic Front]. The leader of the "Freedom" movement asserted in his letter: "The collapse of the FREDEMO can pave the way for totalitarian and reactionary Marxism or for a bloody military event."

Answering a journalist's question on Vargas Llosa's letter, General Velasquez energetically said: "There is no possibility that we will destroy the democratic regime that has been freely chosen by all Peruvians."

He then said: "I understand that this is a political issue" but added that "since I am defense minister, I am also a politician."

Velasquez made an appeal to the people to unite in all their activities. The minister said: "I disagree with everything that represents division and believe that the only way to achieve unity is to join efforts."

Referring to the upcoming presidential and municipal elections, the defense minister said that the Armed Forces will safeguard the right to vote freely.

The Armed Forces Joint Command and the National Electoral Board are coordinating and drawing up a plan under which the Armed Forces and police forces will fully fulfill their duties. [passage omitted]

'Perunet' Data Transmission Network Set Up

PY2806174789 Lima EL COMERCIO in Spanish 22 Jun 89 p A-11

[Excerpt] Public and private enterprises and state-owned organizations may instantly obtain information on any country through the 'Perunet' national data transmission network, which was recently set up by Entel Peru [National Telecommunications Enterprise of Peru].

The system currently covers 28 Peruvian cities including Lima, Trujillo, Arequipa, Piura, Iquitos, Ayacucho, Cuzco, Tarapoto, and Tacna through 615 initial 'ports.' The system has been used for some time by several banking institutions that are interconnected nationwide.

Rainer Spitzer, manager-representative of the Andean Technical Company (Cantec), which was chosen by Entel Peru to set up the system, said yesterday in a news conference that Peru is one of only a few South American countries using this advanced telecommunications system.

Spitzer said 'Perunet' can be interconnected with any other system anywhere in the world through two international lines located in the United States and Europe.

Spitzer said the National Electoral Board will possibly use this network for the upcoming election to collect data fed through computer terminals from various parts of the country. [passage omitted]

Industrial, Mining Banks Install Presidents

PY2806133089 Lima Television Peruana in Spanish 1100 GMT 28 Jun 89

[Excerpt] In a ceremony in his office last night, Economy Minister Cesar Vazquez Bazan administered the oath of office to Carlos Mazza Rodriguez, the new chairman of the board of directors of the Industrial Bank, and to Julio Alva Bravo, the new president of the board of directors of the Mining Bank. [passage omitted]

Uruguay

Angolan, Uruguayan Communists To Cooperate

PY2806131889 Montevideo LA HORA in Spanish 21 Jun 89 p 7

[Excerpts] A Uruguayan Communist Party [PCU] delegation, headed by PCU executive board member Esteban Valenti, visited the People's Republic of Angola between 13 and 17 June. PCU and MPLA [Popular Movement for the Liberation of Angola] (Workers Party) leaders examined the two countries' problems and signed a friendship and cooperation agreement. The

leaders released a communique stressing that the two parties had met in a friendly, cordial, and fraternal atmosphere that reflected their excellent relations.

The Angolan delegation reported on the situation in southwest Africa after the signing of the 22 December 1988 New York Agreement to implement UN Security Council Resolution 435/78, which attempts to restore peace and stability in Angola [passage omitted]

The PCU delegation committed itself to continue cooperating with the Peoples' Republic of Angola in all fields and to continue working to strengthen the cooperation between their two parties. [passage omitted]

24-Hour General Strike Paralyzes Country

PY2906160089 Buenos Aires TELAM in Spanish 2104 GMT 27 Jun 89

[Text] Montevideo, 27 Jun (TELAM-ANSA)—Uruguay was almost entirely paralyzed today due to the 24-hour general strike staged by the Interunion Workers Plenum-National Convention of Workers (PIT-CNT) to protest the government's economic and salary policies.

Duty personnel appointed by the PIT-CNT were in charge of providing essential public services and meeting emergencies. Otherwise, the strike was fully complied with at public offices, state-owned and private banks, schools, and factories.

Very few shops opened, the entertainment sector was paralyzed, and papers were not printed. The PIT-CNT also organized a march with a "banging of pans," which was a characteristic of the demonstrations staged during the last years of the dictatorship that ended in 1985.

Today's strike was the largest this year, and the eighth since President Julio Maria Sanguinetti was democratically elected.

The transportation sector had a reduced, mandatory number of buses functioning, but the city of Montevideo—where half of the Uruguayan population resides—had a holiday air, with people strolling idly along the streets despite cold, humid weather. Police discreetly increased security forces. However, no important incident was reported.

The strike was staged because the workers are demanding a 30-percent salary increase, which the government claims it cannot pay, and several members of the private sector are demanding that the agreements made with the companies be complied with.

In addition to rejecting the government salary policy and demanding that the economic crisis be solved, the powerfull PIT-CNT—which has leftist leanings—is requesting that the government reimplement the social laws abolished during the de facto regime and stop privatizing state-owned companies.

Exporters Hope To Increase Rice Sales to Iran

PY2806170489 Montevideo LA HORA in Spanish 21 Jun 89 p 19

[Text] Uruguayan businessmen are currently marketing this year's huge rice crop, which totaled 530,000 tons of whole rice.

The freighter "Ellina III," which flies the Panamanian flag, is currently docked in the port of Montevideo loading the first of four shipments of whole rice to Iran. The four shipments will total 60,000 tons. This deal makes Iran the second largest buyer of Uruguayan rice. For years Iran has been buying approximately the same amount of Uruguayan rice, but exporters hope that it will be possible to increase this quantity shortly.

Because of the huge crop obtained this year, businessmen have doubled their efforts to sell more to current clients and to recapture clients that bought a lot in the past.

Venezuela

Colombian Foreign Minister Arrives 29 Jun

PA2906224089 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 29 Jun 89

[Text] Colombian Foreign Minister Julio Londono arrived in Caracas today for a 3-day official visit to further bilateral relations. With that objective in mind, he will meet with President of the Republic Carlos Andres Perez; his Venezuelan counterpart, Enrique Tejera Paris; and political leaders.

Londono's visit gives continuity to contacts between Venezuela and Colombia since the two countries' presidents created three commissions tasked with solving border problems.

The Colombian foreign minister's arrival coincides with the first meeting of the two countries' neighborhood commissions in Caracas today and tomorrow. Thus, it is possible Londono will attend this meeting.

At noon today, he will attend a luncheon with President Perez. In the afternoon, he will visit the old headquarters of the Supreme Court of Justice, which now houses the foreign policy commissions of Congress. He will meet there with David Morales Bello and Haydee Castillo de Lopez.

PLO Director Seeks To Open Office in Caracas

PA2806143189 Madrid EFE in Spanish 0519 GMT 27 Jun 89

[Text] Caracas, 26 Jun (EFE)—Faruq Qaddumi, the PLO director of international relations who is currently visiting Venezuela, announced today that he has asked the Venezuelan Government to authorize a PLO office in Caracas.

Qaddumi met today with Venezuelan Foreign Minister Enrique Tejera Paris and is also scheduled to meet with President Carlos Andres Perez.

The Palestinian leader pointed out that the PLO maintains Latin American offices in Brazil, Mexico, Peru, Bolivia, Nicaragua, and Cuba, and in 87 other countries throughout the world.

Qaddumi said that 104 countries in the Group of 77, which held a meeting in Caracas last week, acknowledged that "the Palestinian people have continued living under harsh conditions because of the Israeli occupation of Palestinian territory," and he announced that the PLO is still negotiating peace in the Middle East with the United States.

The Palestinian diplomat stressed the intermediary role played by the European Community, whose foreign ministers called for the PLO's direct participation in the peace negotiations for the first time in Madrid today.

*** Causes of Economic Deterioration Viewed**
33480195 Caracas EL NACIONAL in Spanish
21, 22 May 89 p D-4

[Article by Kalinina Ortega]

[21 May 89 p D-4]

[Excerpt] [Passage omitted]

The Anticipated Trap

In the case of Venezuela its economic behavior since 1974 destined it to become involved with the IMF through the signature of the letter of intent. Some 14 years later the signature of this letter assumed concrete form with the beginning of an experience similar to that of other Latin American nations. This does not ignore, of course, certain policies of the present government aimed at limiting social reactions by some of the people who suffer from critical poverty. On 27 and 28 February, acting out of hunger and indignation, they sacked business firms of every kind. The president has resumed the program of subsidies, applying it to certain basic items affected by the inflationary spiral. He has set up the so-called "basic market basket."

The once extraordinary increase in petroleum prices ensured that the international banking system would have an enormous amount of liquid funds which it needed to get rid of quickly by extending loans, more or less on one-sided terms, to Third World countries, principally in Latin America.

Consequently, the banks aimed their policies at encouraging those countries to request money in the form of loans, that is, those countries with the capability of incurring debt in the first place. Venezuela was among the countries with that capability, in accordance with the criteria used by the international banking community. These criteria were developed on the basis of the banks' own diagnosis of macroeconomic variables, which gave the following results in 1976: Venezuela has a low level of debt; the country's international reserves were in the order of $8 billion as a result of the tripling of petroleum prices; monetary liquidity had increased significantly; inflation was still very low; there was rapid economic growth; the public sector, which included state-owned companies, was in vigorous condition, as a result of petroleum receipts which state-owned companies were receiving; the foreign exchange flow was positive; there was a free foreign-exchange market; Venezuela was a democratic country where conditions were normal, there was social mobility, and there was broad openness to the international market; Venezuela had large amounts of natural resources of incalculable value which were required by world markets.

On the basis of this diagnosis the international banks put Venezuela in the category of "Triple A" countries. They were generous to Venezuela, agreeing to whatever it asked for in that economic situation called "Great Venezuela."

Preceding Situation

Until 1973 the country had accumulated 3.246 billion bolivares of debt, according to the statistics of the Venezuelan Central Bank. Of this total, 243 million bolivares were in foreign debt, or 7.47 percent of the total, amounting to about $56 million at the exchange rate of 4.30 bolivares to $1.

By 1976 the foreign debt already had reached 1.0 billion bolivares, a tremendously contradictory fact since the country was receiving at that point in its financial history, due to the sale of petroleum, the highest amount of its fiscal income, which amounted to more than 42 billion bolivares.

The violent exhaustion of those resources did not cause the country to lose prestige with the international banking community, nor was it a subject of continuing, domestic discussion in Venezuela. There was some discussion among certain individuals who were preoccupied with warning about what this development would mean for Venezuela and its consequences: fiscal waste by consensus between the state as a power and the most influential managerial and trade union organizations.

The international banking community stated in its analysis that in case of difficulty Venezuela would probably deal with its future indebtedness by committing its basic wealth through the structural reform of the economy. Such a reform would provide greater access to the transnational companies, and private Venezuelan capital would begin to participate in companies previously controlled exclusively by the state. Little by little Venezuelan private capital would assume absolute control of other important development projects. This analysis

describes the process of neoliberal reform, which began to take place in concrete terms and in a tangible way, beginning in 1980. It had its roots in the nationalization of the petroleum industry in 1975, when the clear intention began to appear of promoting a reform of the private sector aimed at expansion.

In effect the neoliberal tendency of 1980 was reflected in the freeing of the prices of food products, freeing rates of interest, the privatization of some services, and the stimulus given to a policy in that direction in the fields of education, urban sanitation, and health.

The act of nationalization of the petroleum industry took place in the face of much criticism, because Venezuela continued to be influenced by its ties with international capital.

Juan Pablo Perez Alfonzo, a specialist in petroleum affairs, together with other university figures (D. F. Maza Zavala, Hector Malave Mata, and Francisco Mieres) who have been concerned with this subject for many years, called this nationalization program "playing hooky."

Perez Alfonzo's opinion shook the country when he explained how the transnational companies made fabulous profits in the course of their liquidation, principally Exxon and Shell. From his critical statements it was possible to understand why, 1 year after the nationalization act, this measure was considered an "example to be followed" by other countries with similar intentions. It had been designated a "Triple A" country and accorded fulsome praise by the international banking community, when it was supposed that the country would be regaining its true rights for the independent administration of its basic natural resources.

Venezuela a Prisoner

Since the petroleum boom, also called an "economic accident," social inequality has grown. Social strata have become more numerous, some of them still undefined, shaken by the package of measures imposed on Venezuela by the IMF. Inflation is drowning quantitatively broader segments of society which are not prepared (were they ever so prepared?) for an inflationary spiral expanding at virtually infinite speed. And medium-sized and small companies are not escaping from this scourge, as is the case in Brazil.

Galeano summarizes the effects of the IMF program in the following way:

"Under the pretext of a kind of magic monetary stabilization, the IMF is imposing on Latin America a policy which is sharpening the disequilibriums, instead of alleviating them. The IMF seeks to free trade and to prohibit multiple exchange rates and barter transactions. It requires countries to reduce domestic credit to the point of asphyxia, to freeze salaries and to discourage economic activity by the state."

And he adds that "the Latin American countries, taken together, cannot assemble half as many votes as those available to the United States to direct the policies of this supreme agent of world equilibrium."

Clearly, Venezuela has considerable previous experience, due to the fact that it has been in this trap since 1974, when the accident of the petroleum boom totally disrupted it.

And as the international banking community knows the management deficiencies among the leaders and administrators of Venezuela, such as their ambiguous positions, their weaknesses due to premature enrichment, their taste for expensive pleasures, and their tendency to allow themselves to be manipulated by foreigners with whom they are connected by relations of friendship, it was not difficult to stimulate indebtedness.

President Carlos Andres Perez [CAP], who was president in 1974, and his team of advisers fell into this trap at that time. CAP was faced with the absence of essential leaders in the field of management. In 1989, 15 years later, he is trying to make up for the errors of the past by supporting himself now with technicians trained abroad and in the IESA [Institute of Higher Education for Administration] in Venezuela. They have been subjected to structuralist concepts, either Keynesian or functionally neoliberal.

In addition to the IESA group, President Perez has had the assistance of the Roraima Group which, from the time of his election campaign, has recommended to him a greater opening toward the private sector.

In any case, President Perez's 1989-1994 development program begins with a phase which will leave Venezuela subject to the financial dominance of Wall Street and in a category far below "Triple A" for a prolonged period of time.

[22 May 89 p D-4]

[Text] In our previous article ("Venezuela, a 'Triple A' Country") we described those developments which have led to external indebtedness during the period since 1974, when the international banking community, in its diagnosis, considered Venezuela a country suitable for the extension of loans.

Leading the country toward a neoliberal policy involved acting cautiously to such an extent that by the end of every presidential term Venezuela was losing part of its economic sovereignty through growing external indebtedness. This policy took away supreme responsibilities from the state and delegated them to the private sector.

However, in the political speeches of the candidates for president they did not state this openly, perhaps for well intentioned, strategic reasons. Privately, they condemned neoliberalism as a "catastrophe for the countries of the Third World."

Neoliberalism began to become evident in Venezuela after 1975. Its signs were more tangible in 1980 and 1981. In 1989 the veil was lifted from its face with the recent decisions which provoked reactions from many people affected by the violent spiral of inflation. And since then there have been reactions from small and medium-sized companies which fear being absorbed by the great monopolies.

Perez: Against Neoliberalism

In 1986 Carlos Andres Perez [CAP] stated the following before the 17th Congress of the Socialist International, of which he is vice president:

"The developing countries are carrying a debt of more than $900 billion. It is obvious that they are not going to be able to repay it. At the end of this painful path an economic catastrophe of unpredictable consequences is waiting for us. In dealing with this situation what have the largest countries of the Group of 10 industrialized countries done? It must be admitted that they have just folded their arms. This attitude is in visible contrast with the attitude displayed by the United States at the end of World War II. On 5 July 1947 it expressed and then carried out the Marshall Plan to help in the reconstruction of Europe instead of collecting from it the immense debt which Europe had contracted. Aid provided to 18 European countries amounted to $12.358 billion, most of which consisted of grants without interest and with no obligation to repay. From the economic point of view the Marshall Plan can be defined as a transfer of real savings from the United States to the European countries, to reconstitute productive capital among the countries destroyed by the war."

Perez stated that a breach was opening up between "the rich and the poor." This breach was opening even further, he repeated, and he therefore suggested closing it by resolving the problem of debt:

"The world today has been transformed due to the revolution in communications which makes the contrast all the more dramatic in the field of economic relations between men and peoples. The world is thus presented to us as a tragic dualism involving the poor and the rich. There is a clear dividing line which separates the North from the South. However, that dualism which we could call structural is also marked internally in each country. For example, the rich sector of a country in the South has more affinity with the corresponding rich sector in the North than with the poor sector of its own country. This structural dualism, as is so well stated in a part of the Brandt Report, has become a world phenomenon. However, there is more to it than that. It is proper to point out that this dualism has a certain diabolical foundation in a religious sense. The dualism is debt, which fragments the soul of man because it causes him to lose faith. Perhaps this circumstance could explain why the crisis, which is economic in content, has its repercussions in the spirit. Never in the history of civilization has man been more confused, more lost in the recesses of his soul than during the present time in which we live."

As has been seen, in 1986 CAP spoke of a structural concept, an objective social and economic concept. Its reflection goes much beyond what is simply material.

On 27 November 1988 he presented this concept in political terms and set out his personal position:

"My critics say that I will be more favorable to inflation because I do not have a neoliberal strategy. I am presenting the need for an economic policy of expansion. I am quite opposed to neoliberalism, the sickness of our times. This strategy is leading to the destruction of our future by submitting children to malnutrition and to unemployment. Neoliberal ideas generate these concepts, whose only support is praying before the altar of inflation. I consider that inflation is a phenomenon which must be controlled. However, it cannot be a pretext for letting people die of hunger as they fall deeper into unemployment."

And he added almost at the end of the election campaign in November 1988 ideas which might have been attractive to groups of voters who had not made up their minds about the elections:

"I believe that the state must draw up along macroeconomic lines a strategy for a policy of expansion which confronts inflation and does not use it as a pretext for maintaining unemployment and misery and under which the privileged few increase their wealth. We cannot separate, as neoliberalism does, social and economic action. We cannot think about the production of wealth without asking ourselves what its purpose is and who benefits."

Clear Contradiction

We can clearly perceive the contradiction in the speeches of the current president between what he said on 27 November 1988, at the end of the election campaign, and what he had stated at "The Global Challenge" meeting of the Socialist International held in Peru and for the first time in Latin America. This was the congress at which he had the task of chairing the Economic Affairs Committee.

The question, prior to the crisis of 27 and 28 February 1989, might be stated as follows: How can he explain that, after winning the election, he imposed a package of economic measures and signed a letter of intention with the IMF under a neoliberal program? How can he explain that, only a few weeks after his assumption of

power, he turned away, in effect, from his philosophical, political, and ideological views regarding an emergency solution for the problems of the country?

After he assumed the office of president, it appeared from his daily statements that, while still subject to pressure from the IMF, CAP would try to implement policies giving immediate attention to those sectors of the population suffering from critical levels of poverty and in favor of the students. Supposedly, his government would protect small- and medium-sized producers.

The Influence of the IESA Group

The so-called IESA [Institute of Higher Education for Administration] Group, among whom may be found Miguel Rodriguez, the current minister of coordination and planning, played an important role in the preparation of the economic program for CAP's government. Some members of the group are structurally Keynesian in outlook, while others are radical neoliberals.

In "Capacidad 88" they present their positions, as published in the Venezuelan press on 18 March 1989. They are worth reviewing for this article. They represent private economic interests, and their social democratic political position is evident in their comments on the adjustments made by the government of President Perez at the sectoral level. For example, they say:

"In this context the only solution is for the state to increase substantially the funds available both for working capital as well as fixed assets in the financial organizations for the private sector, through the National Guarantee Fund, to broaden the coverage of the companies likely to receive preferential financing."

A few lines before the previous paragraph they point out:

"It is of particular importance to design and implement measures to assist the agricultural sector. For reasons inherent in its productive characteristics, this sector is more of a risk than the industrial sector. It has to deal with additional factors. On the one hand, a large part of the basic market basket consists of agricultural products which will be sold at prices set in advance. Therefore, the agricultural sector is not subject to the play of supply and demand (that is, to freeing prices). Meanwhile, on the other hand, freeing prices of machinery, spare parts, and various other inputs not produced in Venezuela but which are imported can strangle production and bring about a fall in agricultural output. Therefore, special attention is required, and very courageous and effective solutions need to be designed."

They warn of the danger looming over the agricultural sector, which may be strangled if credit and, at the same time, imported machinery and other inputs which impact on cost inflation become too expensive. This is the point in the analysis by the Institute of Economic and Social Research [IIES] of the UCV [Central University of Venezuela] which they consider highly favorable in the proposals of "Capacidad 88" as a whole. They are emphatic in proposing the control of the money supply to reduce consumer demand at times when shortages of goods create a crisis.

On the other hand, as there is a need, according to the letter of intent of the IMF, to "regulate" but not to "freeze" the prices of products of prime necessity which make up the basic market basket, the state must subsidize prices. However, this situation occurs when the agricultural sector is weak by comparison to the industrial sector.

"Capacidad 88" states that to ensure that the package of measures will be anti-inflationary, the state "must halt the inflationary effects of demand which lead to public spending and the broadening of the monetary base." For this reason "it is essential to apply highly restrictive measures of monetary policy" and control liquidity, despite the fact that the economy of the plan is based on the market. This concept is the predecessor of views expressed in speeches filled with the principles of a structural type of economic price fixing and which President Carlos Andres Perez makes use of in his policy of government, to the surprise of those who were acquainted with his original speech before the Socialist International.

Guyana

CANA Reports Continuation of Power Outages

FL2906224089 Bridgetown CANA in English 2305 GMT 29 Jan 89

[Text] Georgetown, Guyana, June 29, CANA—Guyana's Lone Electricity Company was on Wednesday still battling to restore normal service to the capital, Georgetown, and its environs, which have been forced to do without power for an average of eight hours a day.

People in some areas have complained of being without electricity—and in some cases also without a ready supply of potable water—for more than two days. A spokesman for the state-run Guyana Electricity Corporation (GEC) said Wednesday that only 14 megawatts of power was available on the Demerara interconnected system, compared with peak demand of about 38 megawatts.

He said that the problems have been compounded by the collapse last Friday of one of the power generating units at the Linden operations of the local bauxite company, 65 miles south of Georgetown, which supplies the GEC with about seven megawatts of power.

The GEC, meanwhile has had to shut down the two operational units aboard a recently leased reconditioned power barge.

The spokesman declined to comment on the barge, each of whose four units should produce about 2.5 megawatts. He reported, however, that the GEC general manager, Norvan Persaud, was on Wednesday locked in discussions about the facility.

He said that with only 14 megawatts now available for distribution from the corporation's main power station in the city, and with about 10 megawatts needed to maintain the essential services, only about four megawatts of power was being rotated among other consumers.

He said he could give no indication of how soon the situation would improve.

Suriname

Government Approves Brunswijk-Lachmon Agreement

PM2906153489 Amsterdam DE VOLKSKRANT in Dutch 24 Jun 89 p 1

[Wim Noordegraaf dispatch: "Surinamese Government Accepts Brunswijk-Lachmon Peace Agreement"]

[Text] Paramaribo—The Surinamese Government has approved the agreement reached 2 weeks ago between Ronnie Brunswijk's Jungle Commando and National Assembly Chairman Jaggernath Lachmon. A "cessation of hostilities" was agreed on the French island of Portal in the Maroni River, and the agreement also covered a number of other points.

Lachmon agreed with Brunswijk that the government would give "joint approval" to the agreement. The Shankar government has now "given its full backing to the agreement" and will shortly put together a government delegation which will hold further talks with Brunswijk to achieve lasting peace.

Lachmon agreed with Brunswijk that in consultation with the Jungle Commando, the government will set up a commission to discuss Brunswijk's "terms for the cessation of hostilities."

NDP in Favor of Negotiations With Brunswijk

FL2906190089 Paramaribo International Service in English 1730 GMT 29 Jun 89

[Text] The opposition National Democratic Party [NDP] remains in favor of talks and negotiations with the terrorist gang of Brunswijk to bring about peace in Suriname. The necessary conditions to ensure successful talks should, however, be taken into account.

This was stated by NDP's (?present) chairman at the National Assembly [name indistinct]. He spoke at the public lecture and discussions yesterday on his party's view regarding the measures to be taken to end terrorism in Suriname. The speaker indicated the talks will only be successful if all foreign mercenaries withdraw from Surinamese territory and if the Brunswijk gang ends all terrorist activities.

Furthermore, the government should supply the National Army with sufficient means to carry out its constitutional duties on the national territory together with the police force, said [name indistinct]. He strongly demanded that all terrorists should be disarmed so that the amnesty law can be put into force.

[Name indistinct] emphasized several times during his lecture that peace can only be achieved if the government can exercise its power and authority. [25-second break in reception] ...under the supervision of France.

A delegation of the National Assembly and the Brunswijk gang signed the agreement in principle to stop terrorism in Suriname. [Name indistinct] indicated that France has the Brunswijk gang entirely under control. France only has problems with taking care of the large number of Surinamese refugees on its territory.

According to [name indistinct], the declaration of [words indistinct] said the Suriname Government must give social care while it will have no authority in the war area. [Name indistinct] explained that France has always been interested in east Suriname which contains many natural resources, which is why the Brunswijk gang has to stay and they are trying to consolidate and (?strengthen) their power in the area. [Words indistinct] France to maintain the Brunswijk gang and to force the Suriname Government to achieve political roads. The National Army is an obstacle because it does not want to serve the interests of foreign powers, said [name indistinct]. He held a public lecture on the results of the peace discussions with the terrorist gang of Brunswijk.

Rebels Attack Army Garrison in Northeast

FL2806165389 Paramaribo International Service in English 1730 GMT 28 June 89

[Text] In Suriname, the military command says rebels attacked an Army garrison in the northeast part of the country. The rebel raid in the town of Albina took place early yesterday morning and one soldier was wounded. Earlier this month, the Surinamese Government and the rebels reached a provisional agreement to end the country's 3-year old civil war.